

*State of Arizona
Department
of Racing*



**53rd Annual Report
2001-2002**

DEDICATION



Dr. Walter F. Condon

On April 22, 2002 the Arizona racing community lost a long-time supporter and regulator. Dr. Condon was appointed to the Arizona Racing Commission by Governor Evan Mecham in 1987, and served under three subsequent governors, Moffard, Symington, and Hull. Dr. Condon completed three full five-year terms, and concluded his term as Racing Commissioner on January 21, 2002, and was honored by Governor Hull with a Certificate of Appreciation in recognition of fifteen years of dedicated service as a member of the Arizona Racing Commission. Governor Hull praised Dr. Condon's commitment and dedication to fulfilling the Commission's mission and goals which earned him the respect and appreciation of the citizens of the great State of Arizona.

Dr. Condon served on the Racing Commission during an era of exceptional growth and change in Arizona pari-mutuel racing. During his first five-year term as Commissioner, off-track wagering went from one site to 24 sites, gradually shifting the gambling dollar from on-track wagering to off-track wagering. When Dr. Condon completed his service with the Racing Commission, 64 off-track wagering facilities were in operation. Dr. Condon was also on-board during the advent of Indian gaming and witnessed its effect on the pari-mutuel racing industry.

Dr. Condon served the Commission with honor and integrity and was appreciated for his strong commitment to pari-mutuel racing in Arizona.



Ron Mouser

Longtime Department of Racing licensing supervisor Ron Mouser passed away on March 13, 2002.

Ron moved to Phoenix in 1983 and became the first licensing supervisor for the newly created Arizona Department of Racing. Ron is responsible for establishing most of the licensing procedures in place today. After 15 years of dedicated service, Ron retired from the Department in 1998. In May 1998, Ron became one of the first individuals to receive a recognition award from the Arizona Racing Commission for his outstanding service to the Arizona pari-mutuel racing industry.

Ron's dedication and commitment to whatever project he undertook has left a lasting legacy. Ron was an inspiration to all those he came in contact with during his years of service with the Department of Racing and is deeply missed by his many friends in both the Department of Racing and the Arizona racing industry.

ARIZONA DEPARTMENT OF RACING

JANE DEE HULL
GOVERNOR



WADE TURNER
DIRECTOR

FRANK C. LAVIA, JR.
DEPUTY DIRECTOR

October 21, 2002

The Hon. Jane Dee Hull
Governor of the State of Arizona
1700 West Washington
Phoenix, AZ 85007

Dear Governor Hull:

In accordance with A.R.S. 5-104 (P), the Arizona Department of Racing respectfully submits its annual report for FY 2002.

During the year, the Department of Racing supervised horse and greyhound racing and pari-mutuel wagering conducted at three commercial horse tracks, three greyhound tracks, and 15 county fair racing meetings. In addition, the Department supervised wagering at 77 teletrack wagering locations throughout Arizona. The Department issued 6,071 licenses to racing participants during the year. Boards of Stewards supervising racings meetings statewide issued 778 rulings

During FY 2002, the Arizona Racing Commission conducted hearings and approved permit applications for five commercial racing applicants, three teletrack applicants and 15 county fair racing applicants. The Commission approved eight new off-track wagering facilities.

The following numbers document racing and wagering activity in Arizona in FY 2002:

- Total statewide pari-mutuel handle was \$274 million, down more than \$11 million or 4% from FY 2001. This represents the first decline in annual statewide handle in five years.
- Total state pari-mutuel tax receipts amounted to \$757,662, down 58% from FY 2001. The Department estimates state pari-mutuel tax revenues in FY 2003 will be comparable to collections in FY 2002.
- A total of 13,534 live races were conducted during 1,005 live racing performances in FY 2002.
- Total wagering at Turf Paradise and its off-track sites was \$126 million in FY 2002, a nominal change from FY 2001 levels.
- Wagering on races offered by Yavapai Downs at Prescott Valley grew nearly 10% to \$29 million last year.
- Phoenix Greyhound Park handled \$68 million in wagers, down almost 12% from FY 2001 levels.
- Wagering at Tucson Greyhound Park and its OTBs declined 8% last year to nearly \$25 million.
- Apache Greyhound Park handled \$5.3 million in wagers on 69 live programs and year-round simulcasts.
- Wagering at teletrack (off-track) locations accounted for 63% of total Arizona handle.
- Wagering on simulcast races (conducted out-of-state) accounted for 65% of total Arizona handle.

On behalf of the Arizona Racing Commission and the Department of Racing, I affirm our commitment to work closely with you and your staff to effectively and efficiently regulate and supervise Arizona's pari-mutuel racing industry.

Respectfully submitted,

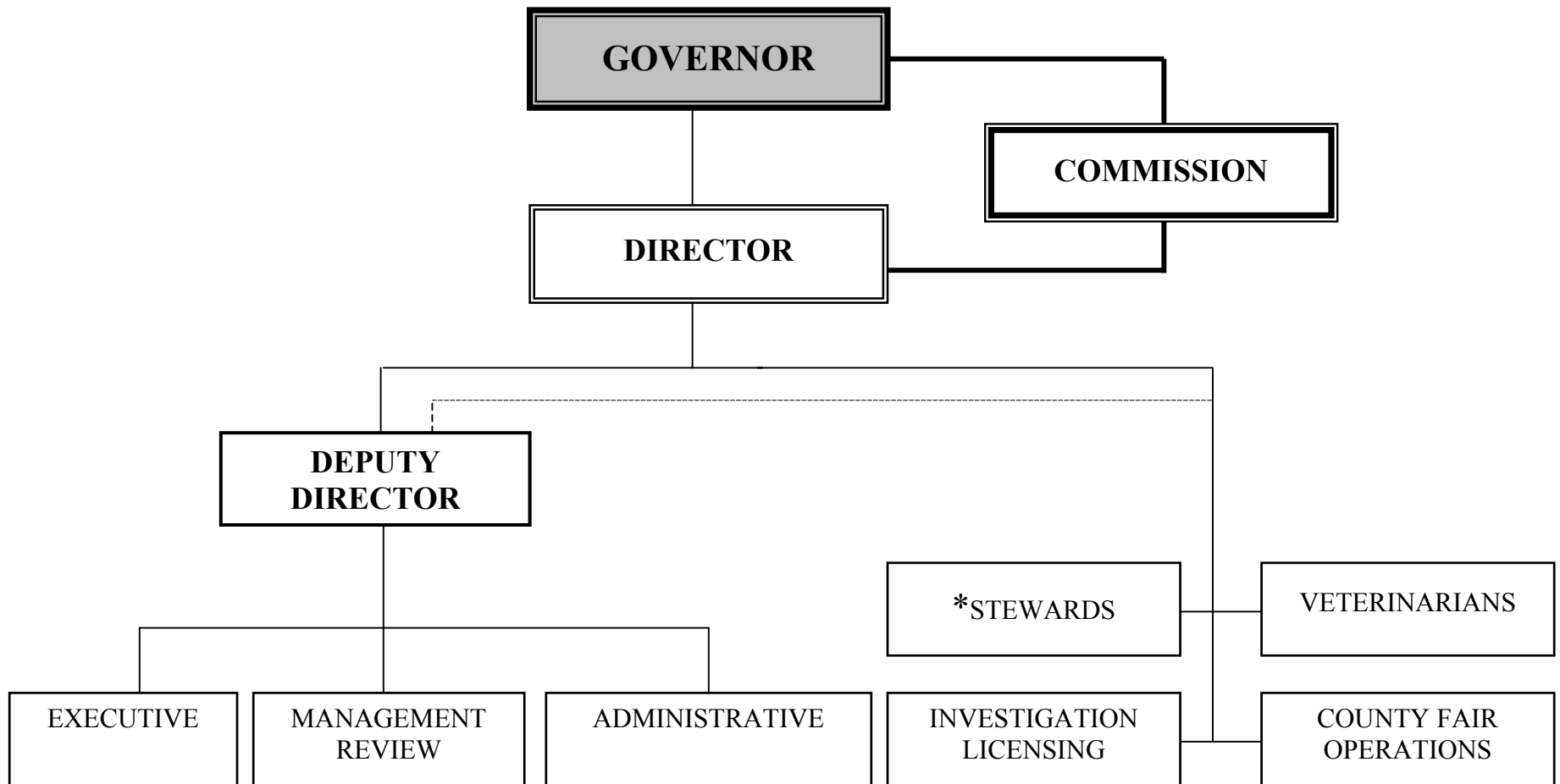
Wade Turner
Director

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ORGANIZATION CHART



* All sectional personnel assigned at the race track are under the authority of the Board of Stewards.

ARIZONA RACING COMMISSION

Chairman	A. Melvin McDonald	Public Member	July 1987 - January 2003
Vice-Chairman	Burton S. Kruglick	Public Member	March 1997-January 2004
Commissioner	Walter F. Condon	Dog Racing Experience	January 1987 -January 2002
Commissioner	Joseph P. Tabback	Horse Racing Experience	January 2000 – January 2005
Commissioner	Bob V. Ford	Public Member	January 2001 – January 2006
Commissioner	Sylvia K. Arena	Public Member	January 2002 – January 2007

ARIZONA DEPARTMENT OF RACING

Director	Wade W. Turner	January 6, 2001 – Present
Deputy Director	Frank C. LaVia, Jr.	September 10, 2001 - Present

Executive Division

Colleen Amos	Executive Secretary	Pearl Pistiner	Personnel Officer
Joyce Cozby	Programs & Projects Specialist	Karen Zilkie	Secretary

Steward Division

Bryan Stoyer	Chief Steward - Greyhound	Gerry Howard	Chief Steward - Horse
Mike Brimmer	Steward - Greyhound	Violet Smith	Steward - Horse
Gary Kluck	Steward - Greyhound	Gary Mader	Horse Identifier
George Luther	Steward - Greyhound		
Daniel Reinertson	Steward - Greyhound		
Eddie Rosano	Steward - Greyhound		
Gordon Sauer	Steward - Greyhound		

Veterinarian Division

Leslie Salmons	Chief Veterinarian	Carol Spillers	Veterinarian - Horse
Andy Carlton	Veterinarian - Greyhound	John Adams	Administrative Assistant
Charles Hoover	Veterinarian - Greyhound	David Heim	Administrative Assistant
John Neely	Veterinarian – Greyhound	Vacant	Administrative Assistant
Angela Schmitt	Veterinarian - Greyhound		
Gail Todd	Veterinarian - Greyhound		

County Fair Racing Division

Roy Snedigar	County Fair Coordinator	Jim Davis	Horse Identifier/Paddock Judge
Rita Fresquez	Chief Steward – County Fair	Peg Rubbo	Horse Identifier/Paddock Judge
Hank Mills, Jr.	Steward	David Miller	Investigator
Mike Lewis	Clerk of Scales	Jerry Doolittle *	Mutuel Supervisor
Katherine Vasko	Exam Tech		

Investigations/Licensing Division - Investigations Section

Steve Lump	Investigation Supervisor	John Parkey	Investigator
Andrew Best	Investigator	Rick Williams	Investigator
Bob Henry	Investigator	Bill Walsh	Teletracking Coordinator
Edwin Mays	Investigator		

Investigations/Licensing Division - Licensing Section

SanDee Riley	Programs & Projects Specialist	Kate Kenfield	Exam Tech
Marcelina Katon	Exam Tech		

Administrative Division

Pamela Hoback	Administrative Services Officer	Karri Hernandez	Fiscal Services Specialist I
Mary Ellen Bloomberg	Fiscal Services Specialist III		

Management Review Division

Pamela Niederkorn	Pari-Mutuel Auditor
Kim Loebach	Network Specialist

Betterment Fund & Breeders Award

Vacant	Accounting Tech
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NOTE: Some Department staff may perform other duties on an as-needed basis. Those indicated with an asterisk routinely serve as fill-in Greyhound Stewards.

ARIZONA DEPARTMENT OF RACING

MISSION STATEMENT AND GOALS

MISSION

The Arizona Department of Racing regulates and supervises pari-mutuel racing and wagering conducted in Arizona in order to protect racing participants and the wagering public.

GOAL ONE

To regulate and supervise all commercial horse and greyhound racing meetings and pari-mutuel wagering conducted on- and off-track in Arizona in order to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.

GOAL TWO

With and through the Arizona Racing Commission, to grant racing permits, issue racing dates and promulgate rules to govern racing which protect and promote the safety and welfare of animals participating and protect and promote the health, safety and welfare of the people of Arizona.

GOAL THREE

To promote and improve county fair racing in Arizona and regulate and supervise county fair racing to ensure compliance with laws and regulations and, thereby, protect racing participants and the wagering public.

ARIZONA RACING COMMISSION



Chairman A. Melvin McDonald
Vice-Chairman Burton S. Kruglick
Commissioner Joseph P. Tabback
Commissioner Bob V. Ford
Commissioner Walter F. Condon
Commissioner Sylvia K. Arena

The Arizona Racing Commission was established pursuant to legislation during the 1949 Regular Session of the Arizona Legislature during the term of Governor Dan E. Garvey. In the Commission's first annual report, it was reported that during the 1949-50 racing season, pari-mutuel wagering was universally off. There were a total of 250 racing days, a total of \$12,253,268 in pari-mutuel wagering, with \$618, 598 going to the General Fund.

On July 18, 2001, the Arizona Racing Commission celebrated its 500th Regular Meeting. Each Racing Commissioner was presented with a commemorative copy of the minutes of the first Racing Commission meeting held July 1, 1949.

Arizona Revised Statutes § 5-102 authorizes a five-member racing commission, who shall be appointed by the governor pursuant to A.R.S. § 38-211. Appointment is for a term of five years, each term expiring on the third Monday in January of the appropriate year. Commissioner Walter F. Condon retired when his term expired in January 2002. Governor Hull appointed Sylvia Arena to replace retiring Commissioner Condon. Commissioner Arena was appointed to a five-year term that will expire January 2007.

A.R.S. § 5-104 authorizes the Racing Commission to issue racing dates; prepare and adopt rules to govern racing meetings as may be required to protect and promote the safety and welfare of the animals participating in such racing meetings, and to protect and promote public health, safety and the proper conduct of racing and pari-mutuel wagering; conduct hearings on applications for racing permits; review all applications for capital improvements at racetracks; and conduct hearings and other legal procedures on matters relating to racing licensees and the racing industry. In fiscal year 2002, the Racing Commission held eleven open meetings--the December meeting was canceled.

During FY 2002, the Arizona Racing Commission conducted hearings and approved permit applications for five commercial racing applicants and 15 county fair racing applicants; four of the approved permits were amended during the fiscal year. Teletrack wagering permits were approved for three applicants, and the Racing Commission approved applications for eight new off-track wagering facilities.

Under a mandate from A.R.S. § 5-104, the Arizona Racing Commission awarded two grants to nonprofit enterprises for the purpose of promoting adoption of racing greyhounds as domestic pets. Adoption grants were awarded to Arizona Adopt A Greyhound based in Phoenix, and Tucson-based Greyhound Adoption League.

<p>ARIZONA RACING COMMISSION</p> <p>RACING COMMISSION RECOGNITION AWARDS</p>
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On April 21, 1998, the Arizona Racing Commission established the Racing Commission Recognition Awards program. These awards are given to individuals for outstanding service to the Racing industry.

The following are past recipients of the Racing Commission Recognition Award:

Jerry Doolittle
Dora Kittredge
Ron Mouser
Wigwam Hoss
Gene Fleming
Cheryl Lawless
John K. Goodman

William L. "Bill" Drozd
Bob Walker & Bonnie Walker
Bill Georgantos
Robert H. Kieckhefer
Ron Dorsey
Lonny Powell
Wade Turner

Lloyd Robertson
Dr. Dale Shirley
Joe Badilla, Jr.
Chet E. Johns
Calvin S. Rainey
Tom J. Finley
Jim Higginbottom
George Michalet

The Arizona Racing Commission
honored the following recipients
during FY 2002

PAT WHITE
CHARLES TSUI
RITA FRESQUEZ
HARVEY ALLRED
DALE ALLRED
JERRY ALLRED
DR. WALTER CONDON



REGULATORY ACTIVITY

During FY 2002, the Department of Racing supervised racing meetings conducted at three greyhound tracks and three commercial horse racing facilities. In addition, the Department regulated and helped operate County Fair horse racing undertaken by associations representing each of Arizona's 15 counties. Arizona tracks offered 1,005 individual racing performances in FY 2002 and the Department's officials scrutinized 13,534 live races conducted during the year.

Licensing

The Licensing Section is responsible for ensuring that all participants are qualified and have obtained necessary credentials. During the fiscal year, the Department issued 6,071 licenses of which 281 were issued to employees of satellite wagering locations (OTB) and 3 were duplicates. A total of 2,530 (42%) license applicants were either new to the Arizona racing industry or renewals that required fingerprint impressions as part of the background investigation process for licensure. Licensing activities completed during FY 2002 are summarized and shown in the table on page 2.

Civil Penalties/Fines

The Director and the Board of Stewards levied fines to licensees for racing-related violations in the amount of \$60,740. The amount of fines

collected as a result of those rulings was \$50,190 (or 83% of fines imposed). Licensees that fail to pay a fine imposed as a result of a ruling either have their licenses suspended or revoked pending payment of the fine in full.

Rulings

The Board of Stewards at both horse and greyhound tracks, issued 778 rulings for violations of racing laws and rules. The table below summarizes the rulings by track.

Many cases are referred to the Director for consideration of additional action. In addition, licensees may appeal decisions of the Stewards to the Director.

The Director may conduct hearings of appeals or referrals directly, or may assign a case that has been appealed or referred to an Administrative Law Judge through the Office of Administrative Hearings who provides the Director findings of fact, conclusions of law and proposed order. The Director may accept or modify any decision proposed by the Law Judge. The table below also summarizes hearings and cases referred to the Office of Administrative Hearings.

As shown in the table at the bottom of the page, the Director took additional action on 185 of these rulings that were referred by the Stewards or appealed. The Commission heard three cases.

Summary of Rulings by Track

TRACK	FY 1999	FY 2000	FY 2001	FY 2002
Turf Paradise	271	361	349	370
Yavapai Downs	119	109	158	163
Rillito Park	11	22	10	21
All County Fairs	55	46	67	60
Apache Greyhound	7	10	5	16
Phoenix Greyhound	67	63	62	35
Tucson Greyhound	90	64	68	113
Total	620	716	719	778

Summary of Hearings and Orders

	FY 1999	FY 2000	FY 2001	FY 2002
Director's Hearings	98	138	123	116
Referrals	86	122	143	106
Appeals	22	16	17	10
Hearing Officer/Administrative Law Judge Hearings	2	14	8	12
Racing Commission Hearings	4	1	2	3
Case Withdrawn/Dismissed	8	9	4	13
Total Number of Hearings	104	153	133	131
Total Number of Director's Orders*	177	223	183	185

* (Includes orders for action taken not requiring a hearing, i.e. stays, reinstatements, cases dismissed, etc.)

LICENSE REPORT -- FY 2002

CATEGORY	HORSE					GREYHOUNDS					GRAND TOTAL
	TURF PARADISE	YAVAPAI DOWNS	COUNTY FAIR	RILLITO PARK	TOTAL	PHOENIX	APACHE	TUCSON	RBO	TOTAL	
1 YR CONCESSION	0	0	0	0	0	0	0	0	0	0	0
1 YR MUTUEL	0	0	8	0	8	0	0	0	0	0	8
1 YR PEACE OFFICER	0	0	0	0	0	0	0	0	0	0	0
3 YR COOLOUT	0	0	0	0	0	28	10	22	0	60	60
3 YR MUTUEL	78	20	104	37	239	132	20	115	0	267	506
3 YR PEACE OFFICER	0	0	16	0	16	0	0	0	0	0	16
APPRENTICE JOCKEY	4	3	1	0	8	0	0	0	0	0	8
ASSISTANT STARTER	15	6	5	2	28	0	0	0	0	0	28
ASSISTANT TRAINER	11	2	0	0	13	16	0	6	0	22	35
AUTH. AGENT-FULL	2	0	0	0	2	0	0	0	0	0	2
AUTH. AGENT-PARTIAL	182	32	9	1	224	5	1	3	0	9	233
BREED FARM/OTHER OP	0	0	0	0	0	0	0	0	11	11	11
COMBINATION OPER	0	0	0	0	0	0	0	0	19	19	19
DUPLICATE/NO FEE	3	0	0	0	3	0	0	0	0	0	3
EXERCISE RIDER	139	27	5	7	178	0	0	0	0	0	178
FACILITY MGR/AGENT	24	0	0	0	24	0	1	0	0	1	25
GROOM	276	68	34	21	399	0	0	0	0	0	399
INELIGIBLE	8	0	0	0	8	5	0	0	0	5	13
JOCKEY	67	23	17	4	111	0	0	0	0	0	111
JOCKEY AGENT	16	4	1	0	21	0	0	0	0	0	21
KENNEL-NEW	0	0	0	0	0	5	1	1	0	7	7
KENNEL-RENEWAL	0	0	0	0	0	4	3	1	0	8	8
OCCUPATIONAL	295	91	106	50	542	144	51	105	0	300	842
OCCUPATIONAL-BRDR	0	0	0	0	0	2	0	0	0	2	2
OFFICIAL	9	10	7	9	35	25	16	18	0	59	94
OTB	123	8	0	2	133	82	2	64	0	148	281
OUTRIDER	3	1	1	2	7	0	0	0	0	0	7
OWNER	1,183	287	116	52	1,638	181	29	73	0	283	1,921
OWNER-TRAINER	109	30	24	14	177	16	3	6	0	25	202
PADDOCK EMPLOYEE	0	0	0	0	0	49	44	120	0	213	213
PERMITTEE DIR/BD MBR	8	4	22	4	38	9	0	3	0	12	50
PLATER	17	3	2	3	25	0	0	0	0	0	25
PONY RIDER	52	20	16	7	95	0	0	0	0	0	95
RACING KENNEL	0	0	0	0	0	0	0	0	16	16	16
SECURITY	13	5	8	22	48	23	10	12	0	45	93
STABLE-NEW	41	2	2	0	45	0	0	0	0	0	45
STABLE-RENEWAL	45	17	1	0	63	0	0	0	0	0	63
TEMP. CLAIM	23	1	0	0	24	0	0	0	0	0	24
TEMP. OWNER	72	4	0	0	76	0	0	0	0	0	76
TEMP. STABLE	7	1	0	0	8	0	0	0	0	0	8
TRAINER	94	19	21	11	145	19	8	10	0	37	182
VENDOR-BUSINESS	12	6	10	4	32	2	0	0	0	2	34
VENDOR-EMPLOYEE	43	10	13	6	72	9	6	4	0	19	91
VETERINARIAN	8	1	4	1	14	1	0	1	0	2	16
VOIDS	0	0	0	0	0	0	0	0	0	0	0
LICENSES ISSUED	2,982	705	553	259	4,499	757	205	564	46	1,572	6,071
FINGERPRINTS TAKEN	1,237	256	232	108	1,833	360	88	249	0	697	2,530
LICENSING FEES	\$84,982	\$17,455	\$14,068	\$6,488	\$122,993	\$16,986	\$4,244	\$9,287	\$3,400	\$33,917	\$156,910
FINGERPRINT FEES	\$31,608	\$6,144	\$5,856	\$3,576	\$47,184	\$10,032	\$2,208	\$6,082	\$0	\$18,322	\$65,506
TOTAL FEES	\$116,590	\$23,599	\$19,924	\$10,064	\$170,177	\$27,018	\$6,452	\$15,369	\$3,400	\$52,239	\$222,416

Investigations Unit

The Department's Investigations Unit conducted 1,209 investigative cases during FY 2002. By the close of the reporting period all but 195 cases had been closed, referred, or adjudicated administratively. The 195 pending cases all related to license applicant investigations. The Investigations Unit is comprised of a supervisor, an executive secretary, six certified law enforcement investigators, and an OTB coordinator. Of the total cases investigated, approximately 979 cases related to licensing. Additionally, 175 cases were investigated relating to rule compliance for commercial horse racing, greyhound racing, and county fair racing programs. The unit conducted 670 inspections of sites, including off-track betting sites (OTBs), greyhound licensed facilities, and other locations under the Department's jurisdiction requiring noticing pursuant to A.R.S. § 41-1009.

Teletracking Sites Licensing & Inspections

Five of Arizona's racing permittees operated teletracking (off-track betting) networks. The number of facilities within each network changes periodically. The network servicing the three horse tracks (Turf Paradise, Yavapai Downs and Fort Tuthill Downs) is largely the same and used 59 sites during FY 2002. Turf Paradise also sent its racing signal to four county fairs. The state's other commercial horse track, Rillito Park, did not operate a network during the fiscal year. Phoenix Greyhound Park sent its signal to 33 sites during the fiscal year. Tucson Greyhound Park sent its signal to nine sites. Many of the sites are shared and the total number of facilities used was 77.

The Director, under authority provided by teletracking rules, currently licenses owners, managers, agents, and others who are responsible

for day-to-day operation of the sites. The Department issued 74 such licenses during the past fiscal year. In addition, all of those employed at the site by a permittee, along with others the Director may require, must be licensed. The expiration date for all teletracking licenses is January 31, 2005.

The Department constantly monitors the sites to ensure that the laws and regulations are followed. During FY 2002, the Department's teletracking coordinator and other division investigators made 358 visits to off-track sites. The coordinator consults with facility owners and managers, the employees of the permittee, and the betting customers to ensure that the site maintains security for both the personnel and customers and to make certain that the pari-mutuel wagering equipment, audio-visual, closed circuit and satellite transmission equipment are functioning properly.

Drug/Alcohol Abuse Investigations

Substance abuse investigations continue to be aided by the use of field drug screening tests of suspected drug abusers. The Department began using an improved NIDA-5 drug field-testing device two years ago, available through the Department's contract laboratory. Field tests that indicate drug abuse are then confirmed through conventional laboratory procedures using the Department's contracted SAMHSA certified laboratory. (* Refusals to testing are treated the same as positive tests for administrative discipline).

Suspected alcohol abuse is detected through breath/alcohol testing in the field, with laboratory confirmation as required. Statutory language in A.R.S. § 5-104 (C) defines the specific license categories subject to substance abuse testing. (*The summary of human drug and alcohol abuse testing cases for the fiscal year is listed below.*)

Summary of Human Drug and Alcohol Testing

Tests	FY 2000	FY 2001	FY 2002
Human Drug Tests	38	53	36
Positive Tests	16*	11*	6*
Percent Positive	42.0%	39.6%	28%
	*Plus 5 refusals	*Plus 10 refusals	*Plus 4 refusals
Breath/Alcohol Test	16	7	2
Positive Tests	5	5	1
Percent Positive	31.0%	71.4%	50%

Licensing and Inspection of Racing Kennels/Breeding Farms

During FY 2002, Department investigators conducted 168 inspections of the 64 greyhound racing kennels, breeding farms, and other operations (RBO), that were licensed during the three-year greyhound industry licensing cycle which began January 31, 1999. Only 40 such operations have licensed in the cycle starting February 1, 2002. Again, this year less than 1% of all kennel inspections required administrative referrals, showing a high level of compliance with the greyhound welfare provisions within the rules. The inspection statistics include weekly inspections at Apache Greyhound Park, the only greyhound racing enclosure where greyhounds are housed on the grounds of the racetrack during the meet.

Breeding/Whelping Inspections

The certification procedure requires the breeder (owner or lessee) of the brood dam at the time of

whelping to file a breeding/whelping report with the Department within ten days of a litter whelping. Additionally, 90 days from whelping, the tattooing of the litter must be reported on the second-part tattoo report. These procedures are now required by rule as part of the process towards certifying these greyhounds to be eligible for the Arizona Breeders Award program. Upon receipt of the required reports, the Department's assigned investigators visit the licensed farms to inspect each reported litter, to verify whelping and tattooing.

The Department's assigned investigators made 141 such litter inspections, on 876 reported pups. Every greyhound litter whelped and reported must be inspected to be eligible for subsequent certification as Arizona-bred. The BWI investigator also conducts spot checks for verification of tattooing, after receipt of the required tattoo report, and follow-up inspections to ensure compliance with statutory and regulatory language.

Investigations Summary – FY 2002

No.	Offenses	Denied	Referred	Pending	Warning	No Action
113	False Application	1	102	7	0	2
228	Interviews	0	0	0	0	228
17	Undesirables	8	6	0	0	3
1	Possession of Contraband	0	1	0	0	0
36	Human Drug Testing	0	10	0	0	26
66	Horse Rule Violation	0	63	3	0	0
11	Greyhound Rule Violation	1	8	0	0	2
0	Illegal Gambling	0	0	0	0	0
6	Criminal Violation	0	6	0	0	0
44	Animal Drug Testing	0	44	0	0	0
66	Miscellaneous	0	3	1	0	62
137	Inspection-Kennels	0	2	0	0	135
484	Criminal Records Received	0	0	184	0	299
1209	Total	10	245	195	0	757

Equine and Canine Drug Testing

The Department contracted with The Industrial Laboratories Company, Inc., of Denver, Colorado to serve as its primary drug-testing laboratory. In addition, secondary laboratory contracts were awarded to the Center for Tox Services (Tempe, Arizona), and PTRL East (Richmond, Kentucky).

During FY 2002, a total of 13,671 samples were submitted to this lab for testing to comply with

Arizona statutes and rules governing the use of drugs and medications in horses and greyhounds. A total of 38 positive tests were reported from horse samples. Two greyhound samples returned with positive test results. A breakdown of the positive tests is noted below.

The Industrial Laboratories Company is accredited through a program administered by the American Association of Laboratory Accreditation.

Positive Equine & Canine Drug Tests

Commercial Horse Racing (34)

- 3 Clenbuterol
- 9 Oxyphenbutazone
- 16 Phenylbutazone
- 6 Phenylbutazone/Oxyphenbutazone

Greyhound Racing (2)

- 2 Flunixin

County Fair Horse Racing (4)

- 2 Oxyphenbutazone
- 1 Phenylbutazone
- 1 Phenylbutazone/Oxyphenbutazone

RACING LEGISLATION AND RULEMAKING

Legislative Summary

During the 2002 Legislative session, Governor Hull signed four bills that affect the Department of Racing. The Department also was impacted by budget cuts dictated by declines in state revenues.

The Arizona Legislature considered proposals concerning tribal-state gaming compacts and expanded gaming at racetrack locations during both the 2002 regular session and a special session.

S.B. 1164

S.B. 1164 provides specific statutory authority reiterating that the Department of Racing has access to federal criminal history information via the applicant fingerprint card process. It also clarifies the fact that the Department of Racing has the authority to bill the cost of background investigations to the applicant. The bill amends A.R.S. § 5-107.01 of the racing statutes.

H.B. 2708

H.B. 2708, the omnibus budget reconciliation bill, establishes a division of boxing regulation within the Department of Racing and directs Racing Director to appoint an assistant director for boxing regulation to perform duties prescribed in boxing statutes. The bill became effective August 22, 2002.

H.B. 2700

H.B. 2700, a measure concerning Arizona's budget process, requires that state agencies post their strategic plans on the agency's official internet website by January 1 of each year.

H.B. 2414

H.B. 2414 requires all state agencies to post a copy of their annual report on their web site rather than distributing printed copies.

Legislative Proposals concerning Gaming

During the 2002 regular legislative session, several gaming-related bills were considered by the legislature. In addition, Governor Hull called a special legislative session during which several gaming proposals were considered. In both sessions, proposals to define the terms of future tribal-state gaming compacts and to authorize gaming devices at qualifying racetracks were introduced. However, neither session produced a bill that established the state's policy on tribal gaming or expanded gaming at racetracks.

After Legislative efforts failed, both tribal interests and a coalition including Arizona racetracks gathered a sufficient number of signatures to place three different propositions on the November 2002 general election ballot.

Department of Racing Budget

During the FY 2002 fiscal year, the Department's budget was cut by nearly \$180,000 (or 5.5%). Its FY 2003 budget was reduced an additional \$150,000, or 4.9%, before considering standard and technical adjustments and the receipt of additional monies (\$80,300) associated with new responsibilities for regulating boxing. Over two years, the Department's budget has been reduced by \$330,000 or more than 10%.

The Department has accrued savings by keeping numerous positions vacant. These vacancies have impacted agency operations in many areas, including rulemaking and accounting functions.

Rulemaking Activity

There was no rulemaking activity during the 2002 fiscal year.

STATE RECEIPTS

The Department collects pari-mutuel commission fees and license fees, which are deposited into eight separate funds. Revenues received from fines are deposited directly into the State General Fund. In FY 2002, more than 78% of state racing-related revenues were generated from pari-mutuel commissions, the share of racetrack handle paid the state according to statute.

State revenues from pari-mutuel sources declined in FY 2002 compared to last fiscal year, and remain well below levels attained prior to the implementation of tax relief legislation enacted in 1994. Tax revenues were down 91% compared to FY 1995.

In 1994, the Legislature passed S.B. 1373, which provided the racing industry with an assortment of tax breaks beginning on July 1, 1995. Tracks became eligible for tax

relief that is available in the following forms:

- Tax reductions for greyhound tracks;
- Exemption from State tax on monies handled on simulcast wagers;
- A Hardship Tax Credit for tracks which have suffered a decline in business; and
- Capital Improvement Program tax reductions for horse tracks in small counties.

In addition, the amusement sales tax on monies retained from wagers has been phased out over three years. As of July 1, 1998, permittees are no longer subject to this tax. The table below summarizes state pari-mutuel tax paid by commercial racing permittees between FY 1996 and FY 2002.

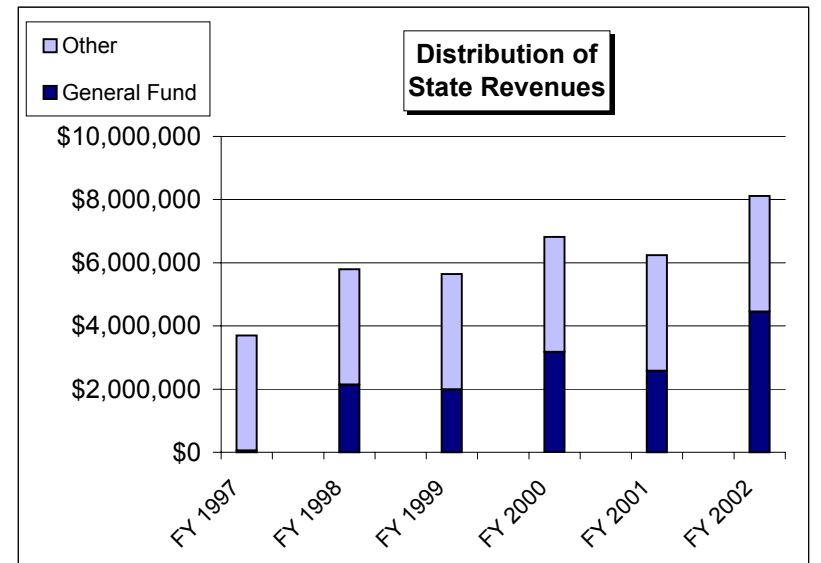
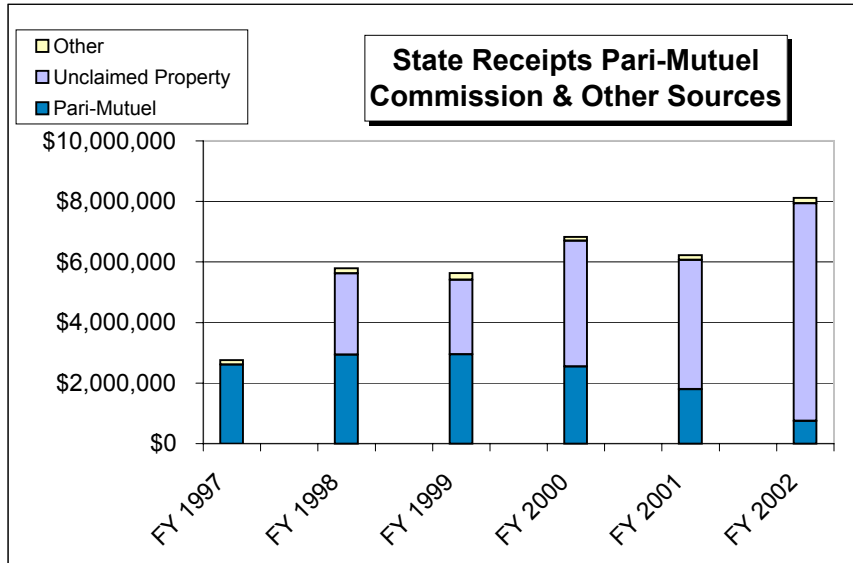
When combined with revenues from license fees and fines, state racing-related revenues in FY 2002 amounted to \$962,257.

Trends in State Pari-Mutuel Tax Payments

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	Percent Change
Horse Tracks								
Fort Tuthill Downs	-	-	-	-	-	-	-	-100%
Yavapai Downs	\$21,818	-	-	-	-	-	-	-100%
Rillito Park	-	-	-	-	-	-	-	-100%
Turf Paradise	-	-	\$354,408	\$589,792	\$522,442	\$661,654	\$595,011	-40%
Horse Track Totals	\$21,818	-	\$354,408	\$589,792	\$522,422	\$661,654	\$595,011	-54%
Greyhound Tracks								
Apache Greyhound Park	-	\$24,323	\$55,671	-	-	-	-	-100%
Phoenix Greyhound Park	\$2,767,536	\$2,603,932	\$2,544,279	\$2,360,262	\$2,022,163	\$1,165,011	\$162,651	-97%
Tucson Greyhound Park	\$55,284	-	-	-	-	-	-	-100%
Greyhound Track Totals	\$2,822,820	\$2,628,255	\$2,599,950	\$2,360,262	\$2,022,163	\$1,165,011	\$162,651	-98%
Commercial Track Totals	\$2,844,638	\$2,628,255	\$2,954,358	\$2,950,054	\$2,544,605	\$1,826,665	\$757,662	-91%

Disposition of State Racing Related Receipts (and fund share of State pari-mutuel receipts)

	FY 1997		FY 1998		FY 1999		FY 2000		FY 2001		FY 2002	
General Fund	\$49,165	1.8%	\$2,142,484	37.0%	\$1,989,279	29.1%	\$3,172,344	46.5%	\$2,575,970	41.4%	\$4,444,693	54.8%
Arizona Breeders' Award Fund	\$597,892	21.7%	\$800,000	13.8%	\$800,000	11.7%	\$800,000	11.7%	\$800,000	12.9%	\$800,000	9.9%
Arizona County Fairs Racing Betterment Fund	\$597,892	21.7%	\$800,000	13.8%	\$800,000	11.7%	\$800,000	11.7%	\$800,000	12.9%	\$800,000	9.9%
Agriculture Promotion Fund	\$897,244	32.5%	\$1,200,000	20.7%	\$1,200,000	17.6%	\$1,200,000	17.6%	\$1,200,000	19.3%	\$1,200,000	14.8%
Arizona Coliseum And Exposition Fund	\$299,081	10.8%	\$400,000	6.9%	\$400,000	5.9%	\$400,000	5.9%	\$400,000	6.4%	\$400,000	4.9%
County Fairs Racing Fund	\$224,108	8.1%	\$300,000	5.2%	\$300,000	4.4%	\$300,000	4.4%	\$300,000	4.8%	\$300,000	3.7%
Adm. of County Fair Racing and Awards Fund	\$36,665	1.3%	\$48,228	0.8%	\$48,579	0.7%	\$48,345	0.7%	\$45,000	0.7%	\$45,000	0.6%
Stallion Award Fund	\$29,773	1.1%	\$40,000	0.7%	\$40,000	0.6%	\$40,000	0.6%	\$40,000	0.6%	\$40,000	0.5%
Agricultural Consultant/Training Fund	\$27,066	1.0%	\$57,351	1.0%	\$55,837	0.8%	\$67,713	1.0%	\$61,771	1.0%	\$80,951	1.0%
Greyhound Adoption Fund	\$200	0.0%	\$275	0.0%	\$4,300	0.1%	\$275	0.0%	\$75	0.0%	\$3,400	0.0%
Total Distribution	\$2,759,086		\$5,788,338		\$5,637,995		\$6,828,678		\$6,222,816		\$8,114,044	



H.B. 2151

Provisions of H.B. 2151 (Laws 1996, Chapter 353) became effective in FY 1998. This law authorizes up to twenty percent of the revenues derived from the disposition of unclaimed property to be allocated to the various recipients of pari-mutuel racing revenues.

H.B. 2151 provides that the funds shall receive a fixed percentage of revenues from both racing and the share of unclaimed property receipts. H.B. 2151 also imposes a maximum amount that may be deposited to

seven of the funds. The aggregate maximum is \$3.585 million. Once the maximums are reached, all monies received from either pari-mutuel sources or unclaimed property receipts (except for one percent for the Agricultural Consulting/ Training Fund) will be deposited in the State General Fund.

The following table indicates the percentage or maximum amount of revenues that funds receive after July 1, 1997, when H.B. 2151 became effective.

New Funding Provisions of H.B. 2151 Effective July 1, 1997

Fund	New Share	Annual Maximum Under H.B. 2151
County Fairs Livestock & Agriculture Promotion Fund *	33%	\$1,200,000
County Fairs Racing Betterment Fund *	22%	\$800,000
Breeders' Award Fund *	22%	\$800,000
Exposition and State Fair Fund *	11%	\$400,000
County Fair Racing Fund *	9%	\$300,000
Stallion Award Fund *	1%	\$40,000
Administration of Betterment & Breeders Awards Fund *	1%	\$45,000
Agricultural Consulting and Training Fund	1%	N/A
General Fund	(none)	N/A
Total Maximum Funding Guarantees		\$3,585,000

*Funds with cap under H.B. 2151

Receipts from the Disposition of Unclaimed Property

The Department of Revenue transferred \$7,186,030 to the Department of Racing from the disposition of unclaimed property during FY 2002. Of this total, \$2,754,686

was transferred to the eight funds to enable these funds to reach statutorily authorized levels. Monies that remained available after funding caps were reached, a total of \$4,431,344, were transferred to the general fund.

Summary of Receipts from the Disposition of Unclaimed Property

January 2002 disbursement	\$500,000
March 2002 disbursement	\$1,100,000
July 2002 disbursement	<u>\$5,586,030</u>
Total received	\$7,186,030
Disbursed to "racing" funds	\$2,754,686
Remaining Balance Disbursed to General Fund	\$4,431,344

The table below gives a categorical breakdown of state revenues and the table

on page 7 provides information on disposition of state racing-related receipts.

Categorical Breakdown of State Revenues

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Mutuel Commission	\$2,606,325	\$2,943,787	\$2,945,419	\$2,549,046	\$1,802,280	\$750,354
Unclaimed Property		\$2,681,159	\$2,465,180	\$4,153,331	\$4,266,855	\$7,186,030
License Fees	\$58,125	\$88,529	\$166,829	\$59,506	\$91,558	\$158,988
Fines	\$47,155	\$49,205	\$45,570	\$45,810	\$42,502	\$56,315
Other	\$47,481	\$25,658	\$14,997	\$20,985	\$19,621	\$-37,643
Total	\$2,759,086	\$5,788,338	\$5,637,995	\$6,828,678	\$6,222,816	\$8,114,044

REVENUE PROJECTIONS

Projections developed by the Department to estimate future year handle are based on historical levels, industry trends and the continued operations of each of Arizona's seven commercial racetracks.

With the passage of S.B. 1373, significant changes in racing law became effective July 17, 1994 (See page 6 – State Receipts). As noted, changes created by S.B. 1373 have led to reductions in State pari-mutuel revenues from levels reached in the early 1990s.

The tables presented on the following pages indicate anticipated State pari-mutuel commissions from wagering handle over the next few fiscal years. Also provided are actual and estimated amounts for the Hardship Tax Credit which permittees may use to offset tax that otherwise would be

paid to the State. It also indicates the source of changes creating reductions in State revenues.

As noted, these revenue projections are contingent on continued operation of seven tracks and based on handle levels similar to those attained in preceding years. If a track were to cease operations, as Yuma did in FY 1994, it would affect revenue estimates.

The projections may detail changes in revenues to the State for each track as a result of provisions included in S.B. 1373, and the ensuing order of the Arizona Racing Commission. Because of S.B. 1373, tracks now accrue additional revenues that under previous law (in effect prior to July 1994) would have been paid to the State in the form of pari-mutuel taxes.

Determination of Hardship Tax Credit According to A.R.S. 5-111(I)
Actual Figures for FY 2003 Based on FY 2002 Handle

TRACKS	BASE YEAR	BASE PERIOD AMOUNT	PREVIOUS FISCAL YEAR AMT WAGERED	% DECREASE	FY 2002 TOTAL PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	HARDSHIP TAX CREDIT	CARRYOVER HARDSHIP TAX CREDIT	TAX CREDIT WITH CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$798,671	\$0	-100.00%	\$0	\$0	\$0	(\$7,320)	(\$7,320)
Yavapai Downs	FY 1994	\$17,490,826	\$29,037,249	66.01%	\$107,288	\$0	\$0	\$0	\$0
Rillito Park	FY 1990	\$3,887,981	\$513,941	-86.78%	\$10,279	(\$8,920)	(\$26,760)	(\$71,407)	(\$98,167)
Turf Paradise	FY 1994	\$101,467,993	\$126,971,259	25.13%	\$609,639	\$0	\$0	\$0	\$0
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$12,262,396	\$5,315,494	-56.65%	\$89,074	(\$50,462)	(\$151,386)	(\$84,837)	(\$236,223)
PGP: Western Racing	FY 1990	\$49,391,582	\$38,512,063	-22.03%	\$1,263,716	(\$278,397)	(\$835,191)	\$0	(\$835,191)
PGP: American Racing	FY 1994	\$46,293,967	\$30,283,886	-34.58%	\$1,058,621	(\$366,071)	(\$1,098,213)	(\$154,956)	(\$1,253,169)
Tucson Greyhound Park	FY 1990	\$38,110,346	\$25,487,238	-33.12%	\$499,852	(\$165,551)	(\$496,653)	(\$1,307,897)	(\$1,804,550)
Yuma Greyhound Park	FY 1990	\$7,314,587	\$0	-100.00%	\$0	\$0	\$0	\$0	\$0

State Pari-Mutuel Revenue - FY 2002

TRACKS	ALLOWABLE HARDSHIP CREDITS	HANDLE	PARI-MUTUEL TAX DUE	CAPITAL IMPROVEMENT WITHHOLDINGS	HARDSHIP TAX CREDIT	AGP CREDITS to PGP	CHARITY DAYS	NET to STATE
HORSE TRACKS:								
Fort Tuthill Downs	\$7,320	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Yavapai Downs	\$0	\$29,037,249	\$107,288	\$107,288	\$0	\$0	\$0	\$0
Rillito Park	\$81,686	\$513,941	\$10,279	\$0	\$10,279	\$0	\$0	\$0
Turf Paradise	\$0	\$126,971,259	\$609,639	\$0	\$0	\$0	\$14,628	\$595,011
Subtotal Horse Tracks	\$89,006	\$156,522,449	\$727,205	\$107,288	\$10,279	\$0	\$14,628	\$595,011
GREYHOUND TRACKS:								
Apache Greyhound Park	\$235,289	\$5,315,494	\$89,074	\$106,310	\$85,542	(\$106,310)	\$3,532	(\$0)
PGP: Western Racing	\$639,975	\$38,512,063	\$1,249,084	\$385,121	\$639,975	\$49,262	\$12,074	\$162,651
PGP: American Racing	\$820,628	\$30,283,886	\$1,058,622	\$302,839	\$665,672	\$57,048	\$33,063	\$0
Tucson Greyhound Park	\$1,807,840	\$25,487,238	\$499,852	\$0	\$499,852	\$0	\$0	\$0
Subtotal Greyhound Tracks	\$3,503,732	\$99,598,681	\$2,896,632	\$794,270	\$1,891,041	\$0	\$48,669	\$162,651
GRAND TOTAL	\$3,592,738	\$256,121,130	\$3,623,837	\$901,557	\$1,901,320	\$0	\$63,297	\$757,662
Revenues to Agricultural Consulting and Training Fund								\$7,504
Revenue Requirements to "Guaranteed Funds"								\$3,585,000
Shortfall								(\$2,834,842)
Revenue to General Fund								\$0

Determination of Hardship Tax Credit According to A.R.S. 5-111(I)
Actual Figures for FY 2003

TRACKS	BASE YEAR	BASE PERIOD AMOUNT	FISCAL YEAR 2002 AMT WAGERED	% DECREASE	FY 2002 TOTAL PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	HARDSHIP TAX CREDIT	CARRYOVER HARDSHIP TAX CREDIT	TAX CREDIT WITH CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$798,671		-100.00%				(\$7,320)	(\$7,320)
Yavapai Downs	FY 1994	\$17,490,826	\$29,037,249	66.01%	\$107,288				
Rillito Park	FY 1990	\$3,887,981	\$513,941	-86.78%	\$10,279	(\$8,920)	(\$26,760)	(\$71,407)	(\$98,167)
Turf Paradise	FY 1994	\$101,467,993	\$126,971,259	25.13%	\$609,639				
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$12,262,396	\$5,315,494	-56.65%	\$89,074	(\$50,462)	(\$151,386)	(\$84,837)	(\$236,223)
PGP: Western Racing	FY 1990	\$49,391,582	\$38,512,063	-22.03%	\$1,263,716	(\$278,397)	(\$835,191)		(\$835,191)
PGP: American Racing	FY 1994	\$46,293,967	\$30,283,886	-34.58%	\$1,058,621	(\$366,071)	(\$1,098,213)	(\$154,956)	(\$1,253,169)
Tucson Greyhound Park	FY 1990	\$38,110,346	\$25,487,238	-33.12%	\$499,852	(\$165,551)	(\$496,653)	(\$1,307,897)	(\$1,804,550)
Yuma Greyhound Park	FY 1990	\$7,314,587		-100.00%					

Projected Future Hardship Tax Credits
Estimated Figures for FY 2004

TRACKS	BASE YEAR	BASE PERIOD AMOUNT	PREVIOUS FISCAL YEAR AMT WAGERED	% DECREASE	FY 2003 TOTAL PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	HARDSHIP TAX CREDIT	CARRYOVER HARDSHIP TAX CREDIT	TAX CREDIT WITH CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$798,671		-100.00%				(\$7,320)	(\$7,320)
Yavapai Downs	FY 1994	\$17,490,826	\$29,037,249	66.01%	\$107,288				
Rillito Park	FY 1990	\$3,887,981	\$513,941	-86.78%	\$10,279	(\$8,920)	(\$26,760)	(\$87,888)	(\$114,648)
Turf Paradise	FY 1994	\$101,467,993	\$126,971,259	25.13%	\$609,639				
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$12,262,396	\$5,315,494	-56.65%	\$89,074	(\$50,462)	(\$151,386)	(\$147,149)	(\$298,535)
PGP: Western Racing	FY 1990	\$49,391,582	\$38,512,063	-22.03%	\$1,263,716	(\$278,397)	(\$835,191)	\$0	(\$835,191)
PGP: American Racing	FY 1994	\$46,293,967	\$30,283,886	-34.58%	\$1,058,621	(\$366,071)	(\$1,098,213)	(\$227,611)	(\$1,325,824)
Tucson Greyhound Park	FY 1990	\$38,110,346	\$25,487,238	-33.12%	\$499,852	(\$165,551)	(\$496,653)	(\$1,304,698)	(\$1,801,351)
Yuma Greyhound Park	FY 1990	\$7,314,587		-100.00%					

Projected Future Hardship Tax Credits
Estimated Figures for FY 2005

TRACKS	BASE YEAR	BASE PERIOD AMOUNT	PREVIOUS FISCAL YEAR AMT WAGERED	% DECREASE	FY 2004 TOTAL PARI-MUTUEL TAX DUE	TAX DUE BASED ON % DECREASE	HARDSHIP TAX CREDIT	CARRYOVER HARDSHIP TAX CREDIT	TAX CREDIT WITH CARRYOVER
HORSE TRACKS:									
Fort Tuthill Downs	FY 1994	\$798,671		-100.00%				(\$7,320)	(\$7,320)
Yavapai Downs	FY 1994	\$17,490,826	\$29,037,249	66.01%	\$107,288				
Rillito Park	FY 1990	\$3,887,981	\$513,941	-86.78%	\$10,279	(\$8,920)	(\$26,760)	(\$104,369)	(\$131,129)
Turf Paradise	FY 1994	\$101,467,993	\$126,971,259	25.13%	\$609,639				
GREYHOUND TRACKS:									
Apache Greyhound Park	FY 1990	\$12,262,396	\$5,315,494	-56.65%	\$89,074	(\$50,462)	(\$151,386)	(\$209,461)	(\$360,847)
PGP: Western Racing	FY 1990	\$49,391,582	\$38,512,063	-22.03%	\$1,263,716	(\$278,397)	(\$835,191)	\$0	(\$835,191)
PGP: American Racing	FY 1994	\$46,293,967	\$30,283,886	-34.58%	\$1,058,621	(\$366,071)	(\$1,098,213)	(\$300,266)	(\$1,398,479)
Tucson Greyhound Park	FY 1990	\$38,110,346	\$25,487,238	-33.12%	\$499,852	(\$165,551)	(\$496,653)	(\$1,301,499)	(\$1,798,152)
Yuma Greyhound Park	FY 1990	\$7,314,587		-100.00%					

PROJECTED STATE PARI-MUTUEL REVENUES

ESTIMATED FOR FY 2003

	Allowable Hardship Credits	Handle	Pari-Mutuel Tax Due	Capital Improvement Withholdings	Hardship Tax Credit	AGP Credits to PGP	Charity Days	Total Credits	Net to State	Carryover Hardship Credit
HORSE TRACKS:										
Fort Tuthill Downs	\$7,320								\$0	\$7,320
Yavapai Downs		\$29,037,249	\$107,288	\$107,288				\$107,288	\$0	\$0
Rillito Park	\$98,167	\$513,941	\$10,279		\$10,279			\$10,279	\$0	\$87,888
Turf Paradise		\$126,971,259	\$609,639				\$14,628	\$14,628	\$595,011	\$0
Subtotal Horse Tracks	\$105,487	\$156,522,449	\$727,206	\$107,288	\$10,279		\$14,628	\$132,195	\$595,011	\$95,208
GREYHOUND TRACKS:										
Apache Greyhound Park	\$236,223	\$5,315,494	\$89,074	\$30,804	\$89,074	(\$30,804)	\$0	\$89,074	\$0	\$147,149
PGP: Western Racing	\$835,191	\$38,512,063	\$1,263,716	\$240,838	\$835,191	\$30,804	\$12,074	\$1,118,907	\$144,809	\$0
PGP: American Racing	\$1,253,169	\$30,283,886	\$1,058,621	\$0	\$1,025,558		\$33,063	\$1,058,621	\$0	\$227,611
Tucson Greyhound Park	\$1,804,550	\$25,487,238	\$499,852	\$0	\$499,852		\$0	\$499,852		\$1,304,698
Subtotal Greyhound Tracks	\$4,129,133	\$99,598,681	\$2,911,263	\$271,642	\$2,449,676		\$45,137	\$2,766,454	\$144,809	\$1,679,458
GRAND TOTAL	\$4,234,620	\$256,121,130	\$3,638,469	\$378,930	\$2,459,955		\$59,765	\$2,898,649	\$739,820	\$1,774,666
Revenues to Agricultural Consulting/Training Fund									\$7,398	
Revenue Requirements of "Guaranteed Funds"									\$3,585,000	
Shortfall									\$2,852,578	

ESTIMATED FOR FY 2004

	Allowable Hardship Credits	Handle	Pari-Mutuel Tax Due	Capital Improvement Withholdings	Hardship Tax Credit	AGP Credits to PGP	Charity Days	Total Credits	Net to State	Carryover Hardship Credit
HORSE TRACKS:										
Fort Tuthill Downs	\$7,320								\$0	\$7,320
Yavapai Downs		\$29,037,249	\$107,288	\$107,288				\$107,288	\$0	\$0
Rillito Park	\$114,648	\$513,941	\$10,279		\$10,279			\$10,279	\$0	\$104,369
Turf Paradise		\$126,971,259	\$609,639				\$14,628	\$14,628	\$595,011	\$0
Subtotal Horse Tracks	\$121,968	\$156,522,449	\$727,206	\$107,288	\$10,279		\$14,628	\$132,195	\$595,011	\$111,689
GREYHOUND TRACKS:										
Apache Greyhound Park	\$298,535	\$5,315,494	\$89,074		\$89,074		\$0	\$89,074	\$0	\$209,461
PGP: Western Racing	\$835,191	\$38,512,063	\$1,263,716		\$835,191		\$12,074	\$847,265	\$416,451	\$0
PGP: American Racing	\$1,325,824	\$30,283,886	\$1,058,621		\$1,025,558		\$33,063	\$1,058,621	\$0	\$300,266
Tucson Greyhound Park	\$1,801,351	\$25,487,238	\$499,852		\$499,852			\$499,852	\$0	\$1,301,499
Subtotal Greyhound Tracks	\$4,260,901	\$99,598,681	\$2,911,263	\$0	\$2,449,675		\$45,137	\$2,494,812	\$416,451	\$1,811,226
GRAND TOTAL	\$4,382,869	\$256,121,130	\$3,638,469	\$107,288	\$2,459,954		\$59,765	\$2,627,007	\$1,011,462	\$1,922,915
Revenues to Agricultural Consulting/Training Fund									\$7,398	
Revenue Requirements of "Guaranteed Funds"									\$3,585,000	
Shortfall									\$2,580,936	

ESTIMATED FOR FY 2005

	Allowable Hardship Credits	Handle	Pari-Mutuel Tax Due	Capital Improvement Withholdings	Hardship Tax Credit	AGP Credits to PGP	Charity Days	Total Credits	Net to State	Carryover Hardship Credit
HORSE TRACKS:										
Fort Tuthill Downs	\$7,320								\$0	\$7,320
Yavapai Downs		\$29,037,249	\$107,288	\$107,288				\$107,288	\$0	\$0
Rillito Park	\$131,129	\$513,941	\$10,279		\$10,279			\$10,279	\$0	\$120,850
Turf Paradise		\$126,971,259	\$609,639				\$14,628	\$14,628	\$595,011	\$0
Subtotal Horse Tracks	\$138,449	\$156,522,449	\$727,206	\$107,288	\$10,279		\$14,628	\$132,195	\$595,011	\$128,170
GREYHOUND TRACKS:										
Apache Greyhound Park	\$360,847	\$5,315,494	\$89,074		\$89,074		\$0	\$89,074	\$0	\$271,773
PGP: Western Racing	\$835,191	\$38,512,063	\$1,263,716		\$835,191		\$12,074	\$847,265	\$416,451	\$0
PGP: American Racing	\$1,398,479	\$30,283,886	\$1,058,621		\$1,025,558		\$33,063	\$1,058,621	\$0	\$372,921
Tucson Greyhound Park	\$1,798,152	\$25,487,238	\$499,852		\$499,852			\$499,852	\$0	\$1,298,300
Subtotal Greyhound Tracks	\$4,392,669	\$99,598,681	\$2,911,263	\$0	\$2,449,675		\$45,137	\$2,494,812	\$416,451	\$1,942,994
GRAND TOTAL	\$4,531,118	\$256,121,130	\$3,638,469	\$107,288	\$2,459,954		\$59,765	\$2,627,007	\$1,011,462	\$2,071,164
Revenues to Agricultural Consulting/Training Fund									\$7,398	
Revenue Requirements of "Guaranteed Funds"									\$3,585,000	
Shortfall									\$2,580,936	

DEPARTMENT ADMINISTERED FUNDS

Arizona County Fair Racing Betterment Fund

County Fair Race Meet Subsidies - Of the revenues derived from the State pari-mutuel commission tax and license fees, 22%, up to a maximum of \$800,000, is deposited into the Arizona County Fairs Racing Betterment Fund. These funds are distributed to the county fair racing associations for the promotion and betterment of their local race meets. The Department makes three types of distributions: purse subsidies and promotion and betterment funds.

Purse Subsidies - Each county conducting a meet in FY 2002 received \$46,800, an amount equivalent to \$1,300 per race for 36 races.

Three counties have futurity races in which the nominating and sustaining fees are included in the purse totals. These counties are Apache, Graham, and Santa Cruz.

Promotion and Betterment Grants - These are used for payment of certain expenditures authorized by the Department such as security, starting gate and totalisator equipment rentals, plant preparation and maintenance. Meets conducted at County Fair tracks received promotion and betterment grants in the amount of \$33,000. One-time grants were given for rental and transportation of the tote board and the purchase of a backside camera. Fairs at tracks, which also host commercial race days, receive a smaller grant. Yavapai County Fair Association and Pima County Fair Horse Racing Commission both hosted a commercial meet while conducting the County Fair meets at Yavapai Downs and Rillito Park, respectively, in which they received a promotion and betterment grant in the amount of \$21,850. Meets conducted at commercial facilities did not receive funding.

FY 2002 Betterment Payments to Counties

County	Purses	Betterment	Improvements	Total
Apache	\$46,800	\$33,000	\$1,575	\$81,375
Cochise	\$46,800	\$33,000	\$775	\$80,575
Coconino*	\$46,800	\$33,000	\$0	\$79,800
Gila	\$46,800	\$33,000	\$1,575	\$81,375
Graham	\$46,800	\$33,000	\$775	\$80,575
Greenlee	\$46,800	\$33,000	\$775	\$80,575
La Paz	\$0	\$0	\$0	\$0
Maricopa	\$0	\$0	\$0	\$0
Mohave	\$46,800	\$33,000	\$775	\$80,575
Navajo	\$0	\$0	\$0	\$0
Pima	\$46,800	\$21,850	\$0	\$68,650
Pinal	\$0	\$0	\$0	\$0
Santa Cruz	\$46,800	\$33,000	\$775	\$80,575
Yavapai	\$46,800	\$21,850	\$0	\$68,650
Yuma	\$0	\$0	\$0	\$0
	\$468,000	\$307,700	\$7,025	\$782,725

*All distributions are for FY 2002 meets except purses for Coconino County, which were paid in FY 2001. Because Coconino County's meet occurred in early July, purse funds were distributed at the end of the fiscal year to ensure they were received by the county prior to the meet. Coconino County received \$46,800 for the purses and \$33,000 for betterment for the July 2002 meet.

COUNTY FAIRS RACING BETTERMENT FUND

In FY 2002, the Department of Racing disbursed \$782,725 in purse and betterment monies to county fairs conducting racing at county fair tracks, and to fairs racing at tracks which also host commercial race days.

FY 2002 County Fairs Racing Betterment Fund

Balance July 1, 2001	\$336,016
Receipts	\$800,000
Available for Distribution	\$1,136,016

Distribution:	
Betterment	\$314,725
Purses	\$468,000
Total Distribution	\$782,725

Balance as of June 30, 2002	\$353,291
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STALLION AWARD FUND

The Arizona Stallion Award Fund receives a share of pari-mutuel revenues with which to pay owners of Arizona stallions whose offspring finish first, second or third in designated races in Arizona. The Stallion Award Program was first created in 1991. At the end of FY 2002, \$60,285 was available in the Stallion Awards Fund.

FY 2002 Stallion Award Fund

Balance July 1, 2001	\$60,286
Receipts	\$40,000
Available for Distribution	\$100,286

Distribution:	\$40,001
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Balance as of June 30, 2002	\$60,285
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BREEDERS' AWARD FUND

The Arizona Breeders' Award Fund is a non-reverting fund in which revenues are used to pay breeders' awards mandated by statute. During FY 2002, a total of 245 breeders received one or more quarterly Breeders' Awards payments. Of these, 88 were greyhound breeders, 35 bred successful Quarter Horses and 122 were Thoroughbred breeders.

FY 2002 Breeders' Award Fund

Balance July 1, 2001	\$413,484
Receipts	\$800,000
Available for Distribution	\$1,213,484

Distribution:	
Breeders' Awards	
Greyhounds	\$395,497
Horses	\$193,478
Total Distribution	\$588,975

Balance June 30, 2002	\$624,509
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Excess Breeders' Awards amounting to \$577,692 were paid in FY 2003.

GREYHOUND ADOPTION FUND

The Greyhound Adoption Fund receives 100% of all fees associated with licensing of greyhound racing kennels, breeding farms and other operations.

FY 2002 Greyhound Adoption Fund

Balance July 1, 2001	\$125
Receipts	\$3400
Available for Distribution	\$3525

Distribution	\$3225
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Balance as of June 30, 2002	\$300
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DEPARTMENT BUDGET AND STAFFING

Funding and Staffing

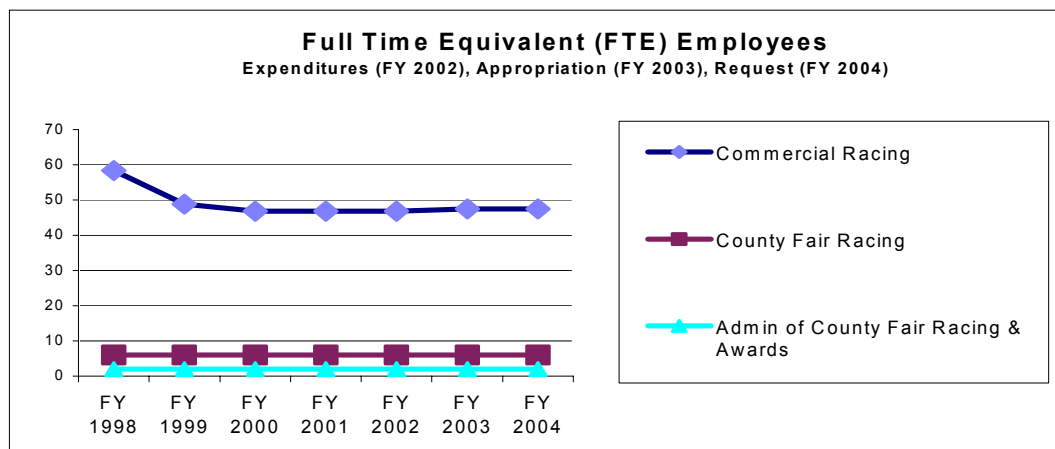
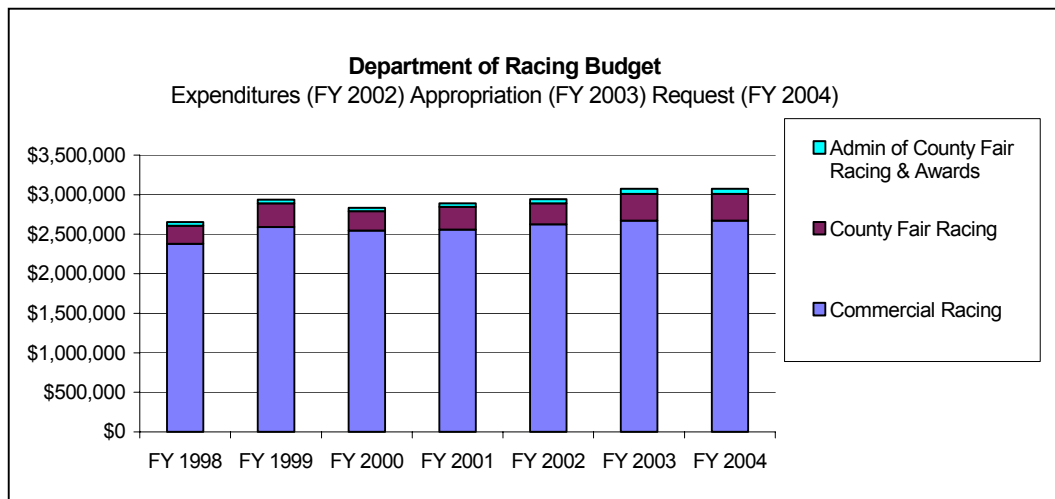
The Department's operations are funded from three sources. The Commercial Racing program receives an appropriation from the General Fund.

The County Fair Racing program utilizes a special revolving fund which receives nine percent of revenues. The Department may expend these fund monies up to the amount appropriated by the Legislature, with

amounts in excess of \$75,000 reverting to the General Fund at fiscal year end.

The fund which provides for Administration of the County Fairs Racing receives one percent of revenues and is non-reverting.

The Department's actual expenditures for FY 1998 through FY 2002, and its appropriations for FY 2003 and request for FY 2004 are summarized on page 16, as is Department staffing.



**Arizona Department of Racing
Budget and FTE Information**

Commercial Racing

	Actual Exp FY 1999	Actual Exp FY 2000	Actual Exp FY 2001	Actual Exp FY 2002	Appropriation FY 2003	Budget Request FY 2004
FTE	48.8	46.8	46.8	46.8	47.5	47.5
Full-Time	39.0	37.0	37.0	37.0	38.0	38.0
Seasonal	9.8	9.8	9.8	9.8	9.8	9.8
Personal Services	\$1,404,784	\$1,441,408	\$1,430,145	\$1,488,977	\$1,572,000	\$1,572,000
ERE	\$328,041	\$309,323	\$313,851	\$348,727	\$367,600	\$367,600
Professional & Outside	\$452,784	\$394,426	\$440,873	\$454,666	\$401,000	\$401,000
Travel In State	\$82,869	\$79,435	\$92,291	\$93,954	\$100,800	\$100,800
Travel Out of State	\$10,861	\$5,983	\$7,593	\$2,357	\$2,400	\$2,400
Other Operating	\$233,913	\$233,250	\$228,984	\$214,825	\$221,500	\$221,500
Equipment	\$76,212	\$73,192	\$43,236	\$21,849	\$5,700	\$5,700
Total	\$2,589,464	\$2,537,017	\$2,556,973	\$2,625,356	\$2,671,000	\$2,671,000

County Fair Racing

	Actual Exp FY 1999	Actual Exp FY 2000	Actual Exp FY 2001	Actual Exp FY 2002	Appropriation FY 2003	Budget Request FY 2004
FTE	6.0	6.0	6.0	6.0	6.0	6.0
Full-Time						
Seasonal	6.0	6.0	6.0	6.0	6.0	6.0
Personal Services	\$120,595	\$116,874	\$132,674	\$122,885	\$168,700	\$168,700
ERE	\$24,494	\$20,362	\$23,664	\$21,848	\$33,740	\$33,740
Professional & Outside	\$97,172	\$41,486	\$49,923	\$48,525	\$50,610	\$50,610
Travel In State	\$44,970	\$52,082	\$70,502	\$62,264	\$74,228	\$74,228
Travel Out of State						
Other Operating	\$4,981	\$5,715	\$4,283	\$7,562	\$10,122	\$10,122
Equipment	\$8,547	\$8,128	\$28,627	\$410		
Total	\$300,759	\$244,647	\$309,674	\$263,493	\$337,400	\$337,400

Admin of County Fair Racing & Awards

	Actual Exp FY 1999	Actual Exp FY 2000	Actual Exp FY 2001	Actual Exp FY 2002	Appropriation FY 2003	Budget Request FY 2004
FTE	2.0	2.0	2.0	2.0	2.0	2.0
Full-Time	2.0	2.0	2.0	2.0	2.0	2.0
Seasonal						
Personal Services	\$31,682	\$28,986	\$30,895	\$40,484	\$46,008	\$46,008
ERE	\$8,397	\$8,075	\$8,752	\$6,604	\$11,664	\$11,664
Professional & Outside						
Travel In State	\$4,757	\$4,626	\$4,162	\$4,957	\$5,184	\$5,184
Travel Out of State	\$1,005					
Other Operating		\$382	\$595	\$360	\$1,944	\$1,944
Equipment						
Total	\$45,841	\$42,069	\$44,404	\$52,404	\$64,800	\$64,800

SUMMARY

	Actual Exp FY 1999	Actual Exp FY 2000	Actual Exp FY 2001	Actual Exp FY 2002	Appropriation FY 2003	Budget Request FY 2004
FTE	56.8	54.8	54.8	54.8	55.5	55.5
Full-Time	41.0	39.0	39.0	39.0	40.0	40.0
Seasonal	15.8	15.8	15.8	15.8	15.8	15.8
Personal Services	\$1,557,061	\$1,587,268	\$1,593,715	\$1,652,346	\$1,786,708	\$1,786,708
ERE	\$360,932	\$337,760	\$346,268	\$377,178	\$413,004	\$413,004
Professional & Outside	\$549,956	\$435,912	\$490,796	\$503,191	\$451,610	\$451,610
Travel In State	\$132,596	\$136,143	\$166,954	\$161,175	\$180,212	\$180,212
Travel Out of State	\$11,866	\$5,983	\$7,593	\$2,357	\$2,400	\$2,400
Other Operating	\$238,894	\$239,347	\$233,862	\$222,747	\$233,566	\$233,566
Equipment	\$84,759	\$81,320	\$71,863	\$22,259	\$5,700	\$5,700
Total	\$2,936,064	\$2,823,733	\$2,911,051	\$2,941,253	\$3,073,200	\$3,073,200

TRACK CAPITAL IMPROVEMENTS

Arizona Revised Statutes §5-111.02 and §5-111.03 authorize commercial horse and greyhound racing permittees with capital improvement projects approved prior to the expiration date established by statute to reduce the pari-mutuel tax due the State. Authorized reductions in the State's share of handle are one percent if the racing meeting is conducted in a county having a population over 500,000 and two percent in all other counties.

The program is designed to encourage the improvement of racing facilities for the benefit of

the public, breeders, and racing animal owners and to increase the revenue to the State from the increase in pari-mutuel wagering resulting from such improvements.

A brief description of the capital improvement projects, the amount approved and the amount withheld during the fiscal year is shown below. The summary includes projects that have been approved, but for which withholding has not begun.

Permittee	Project	Description	Approved Amount	Withheld During FY 2002	Cumulative Withholding	Remaining Deduction
Prescott Downs/Yavapai Downs						
	PD-12	Grandstand & Clubhouse Structure, etc.	\$52,196,636	\$107,288	\$132,782	\$52,063,854
	Total-Prescott (Yavapai) Downs		\$52,196,636	\$107,288	\$132,782	\$52,063,854
American Greyhound Racing, Inc. (Phoenix, Yuma and Apache Greyhound Parks)	PGP 01	Ginny pit, fire escape ladder	\$844,851		Included in Aggregate Totals Below	
	PGP 02	Elevators, escalators	\$349,890			
	PGP 03	Administrative offices and construction of new grandstand facility	\$17,000,000			
	YGP 01	Escalators	\$207,900			
	AGP 01	Clubhouse renovation, computer hardware and software	\$1,686,826			
	Total- American Greyhound Racing, Inc.		\$20,089,467	\$794,269	\$19,817,825	\$271,642
Total -- All tracks withholding for Capital Improvements in FY 2001			\$72,286,103	\$901,557	\$19,950,607	\$52,335,496
1) Excludes projects for which withholding has been completed, except for American Greyhound Racing, Inc.						
2) For projects approved after October 1982, the tax liability may be reduced at any track operated by the permittee and applied to the cumulative total of projects approved for the permittee. Therefore, the reduction in percentage is taken at all meets conducted by American Greyhound Racing, Inc. and applied against the total of projects shown.						

Fiscal Year 2002 Racing Activity

Commercial Racing

Permits Issued. — During FY 2002, the Arizona Racing Commission approved commercial racing permits for American Greyhound Racing, Inc. at Apache Greyhound Park, American Greyhound Racing, Inc. and Western Racing, Inc. at Phoenix Greyhound Park, Tucson Greyhound Park, Inc. at Tucson Greyhound Park, Southern Arizona Greyhound Racing, Inc.

at Yuma Greyhound Park, and Pima County Fair Horse Racing Commission at Rillito Park. Permittees, track locations and permit terms are summarized below.

Racetrack Statistics — Tables on pages 19-29 present a five-year summary of business information associated with Arizona racetracks.

Commercial Racing Permittees, Tracks and Permit Terms

Permittee	Track	Permit Term
American Greyhound Racing, Inc.	Apache Greyhound Park	1/1/02 - 12/31/04
American Greyhound Racing, Inc.	Phoenix Greyhound Park	1/1/02 - 12/31/04
Pima County Fair Horse Racing Commission	Rillito Park	2/16/02 – 3/3/02
Southern Arizona Greyhound Racing, Inc.	Yuma Greyhound Park (no live racing)	1/1/02 - 12/31/04
Tucson Greyhound Park, Inc.	Tucson Greyhound Park	1/1/02 - 12/31/04
TP Racing, L.L.L.P.	Turf Paradise Race Course	6/14/00 - 5/31/03
Western Racing, Inc.	Phoenix Greyhound Park	1/1/02 - 12/31/04
Yavapai County Fair Association	Yavapai Downs at Prescott Valley	5/26/01 – 8/29/03

County Fair Racing

All counties conducted racing meetings during FY 2002. Figures that describe county fair racing meetings in both of the past two fiscal years are included for reference on pages 30 and 31. Page 29 includes a five-year summary of county fair racing activities.

Fairs conducting racing meetings at commercial facilities in FY 2002 include La Paz, Maricopa, Navajo, Pima, Pinal, Yavapai, and Yuma counties. Yavapai County and Yuma County conducted their race meetings at Yavapai Downs in Prescott Valley, and Pima County conducted its race meeting at Rillito Park in Tucson. The remaining counties utilized Turf Paradise in Phoenix.

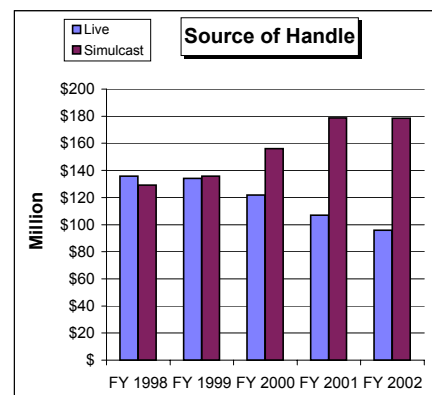
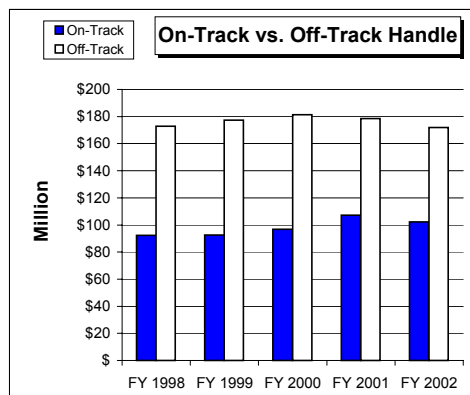
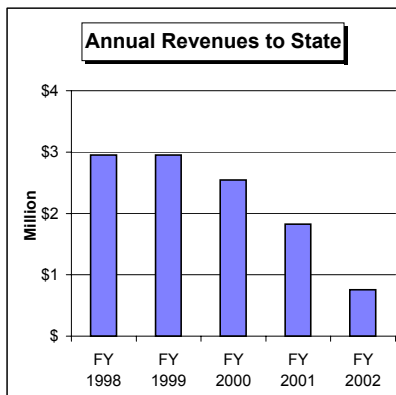
Turf Paradise conducted additional wagering at four county fairs during FY 2002, including Apache County Fair, Greenlee County Fair, Maricopa County Fair, and Santa Cruz County Fair.

During FY 2002 seven counties conducted county fair racing at commercial facilities and eight counties raced at non-commercial facilities. Of those counties racing at commercial facilities, both Yavapai County and Pima County conducted commercial as well as county fair race meetings.

GRAND TOTAL--COMMERCIAL AND COUNTY FAIR RACING
 Recapitulation of all Commercial Horse, Greyhound and County Fair Racing

MEETING BUSINESS FIGURES	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
<u>Race Days/Performances (incl. 15 Charity Days)</u>					
Live Race Days	903	972	1,004	988	1,001
Dark Day-Simulcast only	575	519	534	607	588
Total Race Days	1,478	1,491	1,538	1,595	1,589
Live Performances (Matinee & Evening)	1,432	1,022	1,042	988	1,005
<u>Number of Races</u>					
Live Races	13,805	13,581	14,292	13,915	13,534
Simulcast Races	129,525	150,187	175,132	188,726	212,803
Total Number of Races	143,330	163,768	189,424	202,641	226,337
<u>Number in Attendance</u>					
On-Track	824,839	807,046	813,650	880,614	810,454
Off-Track	864,998	893,556	872,508	932,595	855,374
Total Number in Attendance	1,689,837	1,700,602	1,686,158	1,813,209	1,665,828
<u>Pari-Mutuel Handle</u>	\$265,115,514	\$269,797,172	\$278,037,824	\$285,909,178	\$274,228,624
Average Handle per Race Day	\$179,375	\$180,950	\$180,779	\$179,253	\$172,579
Breakdown by location					
On-Track Handle	\$92,353,083	\$92,553,167	\$96,782,415	\$107,309,899	\$102,322,446
Off-Track Handle	\$172,762,431	\$177,244,005	\$181,255,409	\$178,599,279	\$171,906,178
Breakdown by source					
Live Races	\$135,856,813	\$134,085,795	\$121,941,593	\$107,074,785	\$95,785,970
Simulcast Races	\$129,258,701	\$135,711,377	\$156,096,231	\$178,834,393	\$178,442,654
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$204,836,229	\$208,613,214	\$216,557,955	\$223,085,133	\$214,510,744
<u>State Pari-Mutuel Revenues</u>	\$2,954,359	\$2,950,054	\$2,544,605	\$1,826,665	\$757,662
<u>Track Mutuel Revenues</u>					
Track Commission	\$53,875,950	\$54,862,309	\$54,926,514	\$57,433,648	\$54,840,464
Capital Improvement Rebate	\$903,193	\$869,326	\$768,324	\$624,772	\$561,913
Capital Improvement Non-Taxable	\$401,500	\$409,658	\$395,587	\$368,886	\$339,609
Capital Improvement AGP Non-Taxable	(\$188)	\$0	(\$448)	\$0	\$0
Charity Days-Revenues Withheld	\$90,013	\$92,363	\$89,419	\$61,457	\$63,297
Hardship Tax Credit	\$883,457	\$852,582	\$975,316	\$1,243,214	\$1,901,210
AGP-Hardship Tax (Transferred to PGP)	\$0	\$0	\$0	\$0	\$0
Breakage	\$1,171,002	\$1,147,665	\$1,260,006	\$1,274,313	\$1,226,711
Total Track Revenues	\$57,324,927	\$58,233,902	\$58,414,718	\$61,006,290	\$58,933,204
<u>Purses</u>	\$20,483,351	\$19,758,007	\$20,993,664	\$23,590,039	\$22,796,740

Racetrack Trends at a Glance

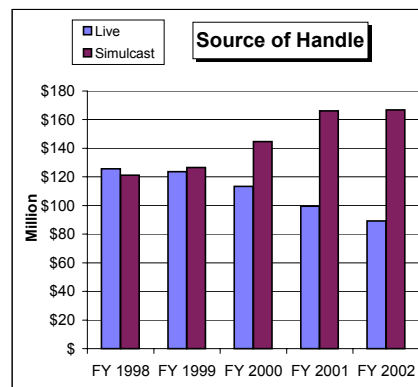
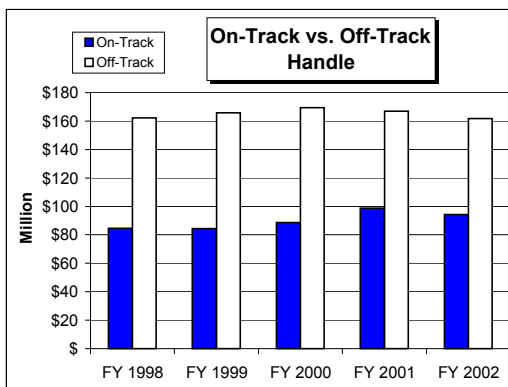
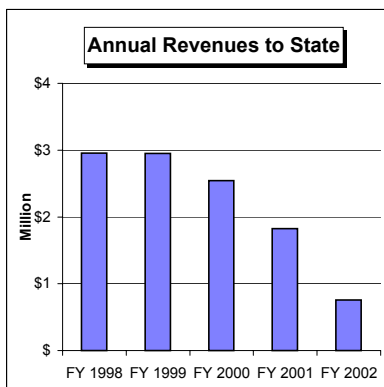


COMMERCIAL TRACKS

Recapitulation of all Commercial Horse and Greyhound Racing

MEETING BUSINESS FIGURES	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
<u>Race Days/Performances (incl. 15 Charity Days)</u>					
Live Race Days	843	912	944	927	943
Dark Day-Simulcast only	573	517	531	605	586
Total Race Days	1,416	1,429	1,475	1,532	1,529
Live Performances (Matinee & Evening)	1,372	962	982	927	947
<u>Number of Races</u>					
Live Races	13,244	13,045	13,684	13,367	13,029
Simulcast Races	129,113	149,764	174,201	186,798	211,006
Total Number of Races	142,357	162,809	187,885	200,165	224,035
<u>Number in Attendance</u>					
On-Track	686,259	655,725	687,039	696,600	691,411
Off-Track	819,678	836,424	814,253	868,658	801,961
Total Number in Attendance	1,505,937	1,492,149	1,501,292	1,565,258	1,493,372
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$174,269	\$175,041	\$174,896	\$173,444	\$167,509
Breakdown by location					
On-Track Handle	\$84,501,548	\$84,299,013	\$88,619,600	\$98,724,645	\$94,376,373
Off-Track Handle	\$162,262,844	\$165,834,936	\$169,351,992	\$166,991,763	\$161,744,757
Breakdown by source					
Live Races	\$125,674,757	\$123,658,045	\$113,393,331	\$99,487,061	\$89,292,335
Simulcast Races	\$121,089,635	\$126,475,904	\$144,578,261	\$166,229,347	\$166,828,795
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$190,572,821	\$193,333,290	\$200,719,621	\$207,062,754	\$200,150,196
<u>State Pari-Mutuel Revenues</u>	\$2,954,359	\$2,950,054	\$2,544,605	\$1,826,665	\$757,662
<u>Track Mutuel Revenues</u>					
Track Commission	\$49,889,086	\$50,590,081	\$50,812,707	\$53,399,050	\$51,191,723
Capital Improvement Rebate	\$903,193	\$869,326	\$768,324	\$624,772	\$561,913
Capital Improvement Non-Taxable	\$401,500	\$409,658	\$395,587	\$368,886	\$339,609
Capital Improvement AGP Non-Taxable	(\$188)	\$0	(\$448)	\$0	\$0
Charity Days-Revenues Withheld	\$90,013	\$92,363	\$89,419	\$61,457	\$63,297
Hardship Tax Credit	\$883,457	\$852,582	\$975,316	\$1,243,214	\$1,901,210
AGP-Hardship Tax (Transferred to PGP)	\$0	\$0	\$0	\$0	\$0
Breakage	\$1,070,152	\$1,036,595	\$1,145,915	\$1,138,521	\$1,128,504
Total Track Revenues	\$53,237,213	\$53,850,604	\$54,186,820	\$56,835,900	\$55,186,256
<u>Purses</u>	\$18,455,880	\$17,577,539	\$18,785,661	\$21,175,708	\$20,538,575

Racetrack Trends at a Glance



COMMERCIAL GREYHOUND TRACKS

Apache Greyhound, Phoenix Greyhound,
Tucson Greyhound

MEETING BUSINESS FIGURES

Race Days/Performances (incl. 12 charity days)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Live Race Days	646	723	748	721	735
Dark Day-Simulcast only	443	366	343	367	351
Total Race Days	1,089	1,089	1,091	1,088	1,086
Live Performances (Matinee & Evening)	1,175	773	786	721	739

Number of Races

Live Races	11,343	11,192	11,748	11,379	11,040
Simulcast Races	124,417	144,727	162,112	173,146	178,577
Total Number of Races	135,760	155,919	173,860	184,525	189,617

Number in Attendance

On-Track	311,414	289,496	327,651	285,800	265,590
Off-Track	418,466	400,264	335,234	334,221	288,959
Total Number in Attendance	729,880	689,760	662,885	620,021	554,549

Pari-Mutuel Handle

	\$129,028,589	\$130,435,520	\$122,888,935	\$111,638,553	\$99,598,681
Average Handle per Race Day	\$118,484	\$119,776	\$112,639	\$102,609	\$91,711

Breakdown by location

On-Track Handle	\$46,744,911	\$48,088,401	\$46,005,461	\$40,922,646	\$35,401,074
Off-Track Handle	\$82,283,678	\$82,347,119	\$76,883,474	\$70,715,907	\$64,197,607

Breakdown by source

Live Races	\$77,680,993	\$77,166,247	\$71,632,705	\$60,752,689	\$52,932,069
Simulcast Races	\$51,347,596	\$53,269,273	\$51,256,230	\$50,885,864	\$46,666,612

DISTRIBUTION OF REVENUES

Returned to Public	\$99,124,883	\$100,815,024	\$94,527,130	\$85,940,817	\$76,021,553
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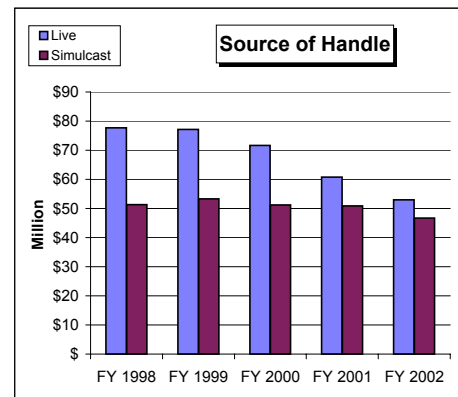
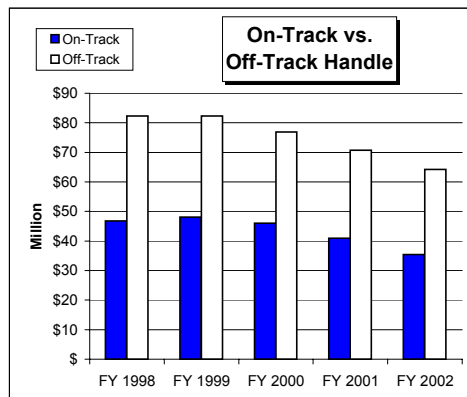
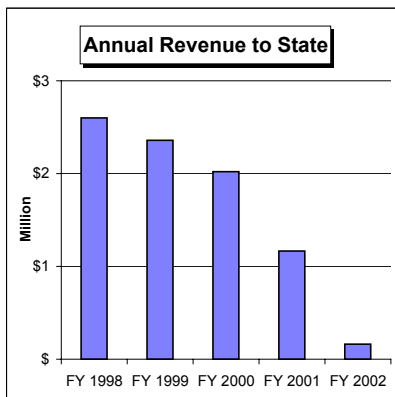
State Pari-Mutuel Revenues	\$2,599,951	\$2,360,261	\$2,022,163	\$1,165,011	\$162,651
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Track Mutuel Revenues

Track Commission	\$25,211,399	\$24,952,174	\$23,456,958	\$22,007,836	\$20,308,368
Capital Improvement Rebate	\$737,096	\$731,240	\$650,736	\$524,191	\$454,625
Capital Improvement Non-Taxable	\$401,500	\$409,658	\$395,587	\$368,886	\$339,609
Capital Improvement AGP Non-Taxable	(\$188)	\$0	(\$448)	\$0	\$0
Charity Days-Revenues Withheld	\$70,148	\$67,631	\$61,643	\$52,546	\$48,669
Hardship Tax Credit	\$463,951	\$675,356	\$807,910	\$1,230,762	\$1,890,931
AGP-Hardship Tax (Transferred to PGP)	\$0	\$0	\$0	\$0	\$0
Breakage	\$419,850	\$424,176	\$446,711	\$348,503	\$345,257
Total Track Revenues	\$27,303,756	\$27,260,234	\$25,819,097	\$24,532,724	\$23,387,459

Purses	\$7,840,358	\$6,631,102	\$6,303,401	\$6,322,136	\$5,564,391
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Racetrack Trends at a Glance



2551 West Apache Trail
Apache Junction, Arizona 85220

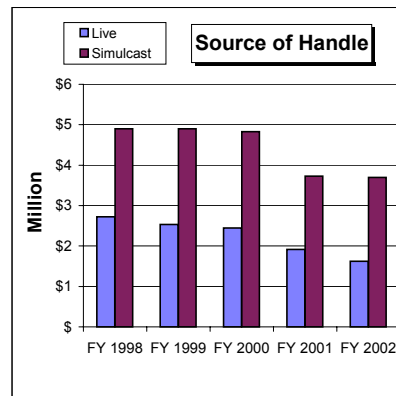
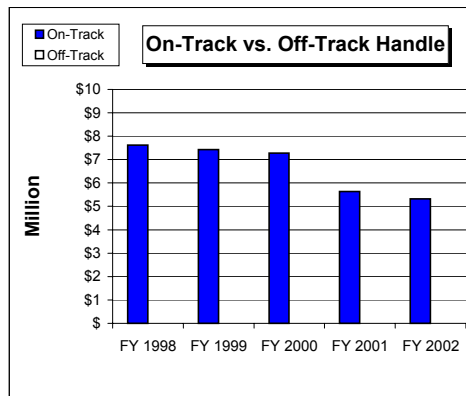
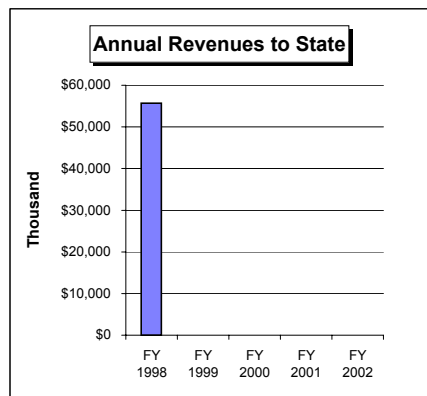
APACHE GREYHOUND PARK
American Greyhound Racing, Inc.
Daniel A. Luciano, President

FY 2002 Racing Dates:
July 1, 2001-June 30, 2002

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Race Days/Performances (incl. 3 charity days)</u>					
Live Race Days	74	78	73	69	69
Dark Day-Simulcast only	289	285	291	294	293
Total Race Days	363	363	364	363	362
Live Performances (Matinee & Evening)	74	78	73	69	69
<u>Number of Races</u>					
Live Races	1,110	1,170	1,165	1,123	932
Simulcast Races	53,903	54,876	53,437	52,035	56,843
Total Number of Races	55,013	56,046	54,602	53,158	57,775
<u>Number in Attendance</u>					
On-Track	N/A	N/A	70,756	38,290	42,600
Off-Track	0	0	0	0	0
Total Number in Attendance	N/A	N/A	70,756	38,290	42,600
<u>Pari-Mutuel Handle</u>					
Total Handle	\$7,623,509	\$7,432,560	\$7,274,183	\$5,639,221	\$5,315,494
Average Handle per Race Day	\$21,001	\$20,475	\$19,984	\$15,535	\$14,684
<u>Breakdown by location</u>					
On-Track Handle	\$7,623,509	\$7,432,560	\$7,274,183	\$5,639,221	\$5,315,494
Off-Track Handle	\$0	\$0	\$0	\$0	\$0
<u>Breakdown by source</u>					
Live Races	\$2,725,037	\$2,536,440	\$2,448,873	\$1,911,793	\$1,619,524
Simulcast Races	\$4,898,472	\$4,896,120	\$4,825,310	\$3,727,428	\$3,695,970
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$5,875,513	\$5,882,209	\$5,587,770	\$4,399,937	\$4,071,255
<u>State Pari-Mutuel Revenues</u>	\$55,671	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$1,569,519	\$1,371,655	\$1,504,039	\$1,113,932	\$1,126,627
Capital Improvement Rebate	\$54,501	\$50,729	\$48,977	\$38,236	\$32,390
Capital Improvement Non-Taxable	\$97,969	\$97,922	\$96,506	\$74,549	\$73,904
Capital Improvement AGP Non-Taxable	(\$152,470)	(\$148,651)	(\$145,484)	(\$112,784)	(\$106,310)
Charity Days-Revenues Withheld	\$6,909	\$5,338	\$5,965	\$4,958	\$3,532
Hardship Tax Credit	\$87,297	\$134,166	\$128,723	\$100,191	\$85,542
AGP-Hardship Tax (Transferred to PGP)	\$0	(\$37,793)	(\$36,130)	\$0	\$0
Breakage	\$28,601	\$39,191	\$30,437	\$20,203	\$27,789
Total Track Revenues	\$1,692,326	\$1,512,558	\$1,633,033	\$1,239,285	\$1,243,474
Purses	\$327,128	\$533,048	\$482,419	\$382,432	\$169,194

Racetrack Trends at a Glance



3801 East Washington Street
Phoenix, Arizona 85036

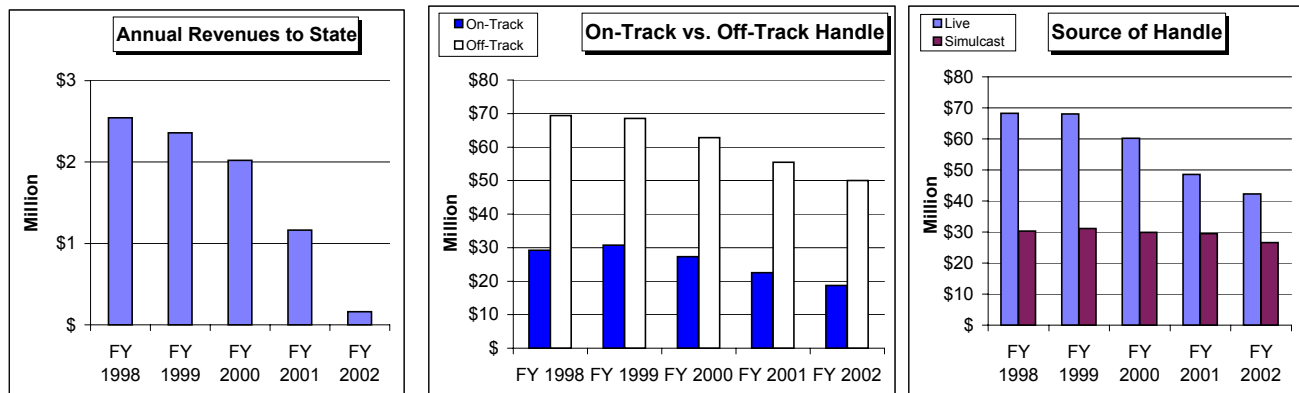
PHOENIX GREYHOUND PARK
American Greyhound Racing, Inc. and Western Racing, Inc.
Daniel A. Luciano, President

FY 2002 Racing Dates:
July 1, 2001 - June 30, 2002

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Race Days/Performances (incl. 9 charity day)</u>					
Live Race Days	363	363	362	337	354
Dark Day-Simulcast only	0	0	2	26	8
Total Race Days	363	363	364	363	362
Live Performances (Matinee & Evening)	402	402	401	337	358
<u>Number of Races</u>					
Live Races	5,765	5,799	5,871	5,333	5,174
Simulcast Races	38,126	41,744	44,419	47,383	46,694
Total Number of Races	43,891	47,543	50,290	52,716	51,868
<u>Number in Attendance</u>					
On-Track	217,910	207,870	191,499	180,723	157,522
Off-Track	319,675	290,487	261,018	234,716	197,407
Total Number in Attendance	537,585	498,357	452,517	415,439	354,929
<u>Pari-Mutuel Handle</u>					
	\$98,612,533	\$99,224,599	\$90,084,023	\$78,029,244	\$68,795,949
Average Handle per Race Day	\$271,660	\$273,346	\$247,484	\$214,957	\$190,044
Breakdown by location					
On-Track Handle	\$29,186,953	\$30,721,352	\$27,268,555	\$22,547,761	\$18,742,278
Off-Track Handle	\$69,425,580	\$68,503,247	\$62,815,468	\$55,481,483	\$50,053,671
Breakdown by source					
Live Races	\$68,259,450	\$68,051,076	\$60,175,923	\$48,595,503	\$42,224,319
Simulcast Races	\$30,353,083	\$31,173,523	\$29,908,100	\$29,433,741	\$26,571,630
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$75,696,402	\$76,642,768	\$69,435,014	\$60,237,048	\$52,487,648
<u>State Pari-Mutuel Revenues</u>	\$2,544,280	\$2,360,261	\$2,022,163	\$1,165,011	\$162,651
<u>Track Mutuel Revenues</u>					
Track Commission	\$18,844,810	\$18,521,905	\$16,997,315	\$14,875,989	\$13,737,588
Capital Improvement Rebate	\$682,595	\$680,511	\$601,759	\$485,955	\$422,235
Capital Improvement Non-Taxable	\$303,531	\$311,735	\$299,081	\$294,337	\$265,705
Capital Improvement AGP Non-Taxable	\$152,282	\$148,651	\$145,036	\$112,784	\$106,310
Charity Days-Revenues Withheld	\$63,239	\$62,292	\$55,678	\$47,588	\$45,137
Hardship Tax Credit	\$8,347	\$179,361	\$185,962	\$567,075	\$1,305,647
AGP-Hardship Tax (Transferred to PGP)	\$0	\$37,793	\$36,130	\$0	\$0
Breakage	\$317,048	\$317,115	\$342,016	\$243,455	\$246,051
Total Track Revenues	\$20,371,852	\$20,259,363	\$18,662,977	\$16,627,183	\$16,128,673
<u>Purses</u>	\$6,509,451	\$5,056,462	\$4,665,210	\$3,952,833	\$3,570,784

Racetrack Trends at a Glance



2601 South Third Avenue
Tucson, Arizona 85713

TUCSON GREYHOUND PARK
Tucson Greyhound Park, Inc.
C. Thomas Taylor, Chief Executive Officer

FY 2002 Racing Dates:
July 1, 2001-June 30, 2002

MEETING BUSINESS FIGURES

Race Days/Performances

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Live Race Days	209	282	313	315	312
Dark Day-Simulcast only	154	81	50	47	50
Total Race Days	363	363	363	362	362
Live Performances (Matinee & Evening)	699	293	312	315	312

Number of Races

Live Races	4,468	4,223	4,712	4,923	4,934
Simulcast Races	32,388	48,107	64,256	73,728	75,040
Total Number of Races	36,856	52,330	68,968	78,651	79,974

Number in Attendance

On-Track	93,504	81,626	65,396	66,787	65,468
Off-Track	98,791	109,777	74,216	99,505	91,552
Total Number in Attendance	192,295	191,403	139,612	166,292	157,020

Pari-Mutuel Handle

	\$22,792,547	\$23,778,361	\$25,530,729	\$27,970,088	\$25,487,238
Average Handle per Race Day	\$62,789	\$65,505	\$70,333	\$77,265	\$70,407

Breakdown by location

On-Track Handle	\$9,934,449	\$9,934,489	\$11,462,723	\$12,735,664	\$11,343,302
Off-Track Handle	\$12,858,098	\$13,843,872	\$14,068,006	\$15,234,424	\$14,143,936

Breakdown by source

Live Races	\$6,696,506	\$6,578,731	\$9,007,909	\$10,245,393	\$9,088,226
Simulcast Races	\$16,096,041	\$17,199,630	\$16,522,820	\$17,724,695	\$16,399,012

Returned to Public

	\$17,552,968	\$18,290,047	\$19,504,346	\$21,303,832	\$19,462,650
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State Pari-Mutuel Revenues

	\$0	\$0	\$0	\$0	\$0
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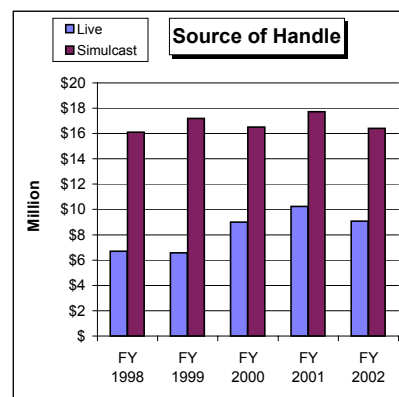
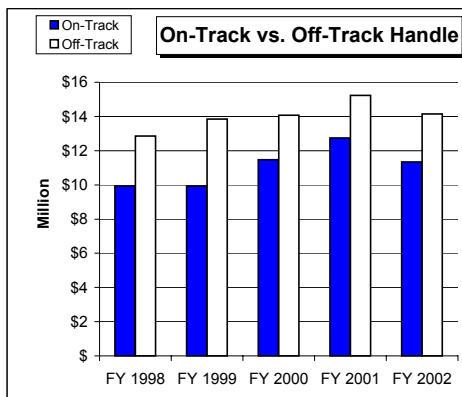
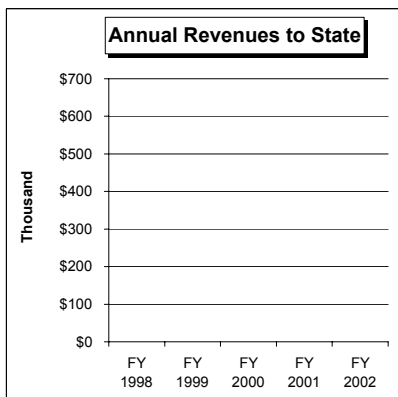
Track Mutuel Revenues

Track Commission	\$4,797,070	\$5,058,614	\$4,955,604	\$6,017,915	\$5,444,153
Capital Improvement Rebate	\$0	\$0	\$0	\$0	\$0
Capital Improvement Non-Taxable	\$0	\$0	\$0	\$0	\$0
Charity Days-Revenues Withheld	\$0	\$0	\$0	\$0	\$0
Hardship Tax Credit	\$368,307	\$361,829	\$493,225	\$563,496	\$499,742
Breakage	\$74,201	\$67,870	\$74,258	\$84,845	\$71,417
Total Track Revenues	\$5,239,578	\$5,488,313	\$5,523,087	\$6,666,256	\$6,015,312

Purses

	\$1,003,779	\$1,041,592	\$1,155,772	\$1,986,871	\$1,824,413
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Racetrack Trends at a Glance

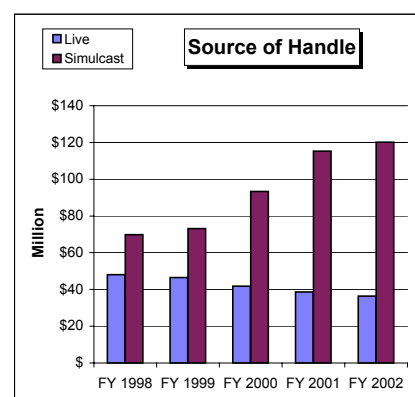
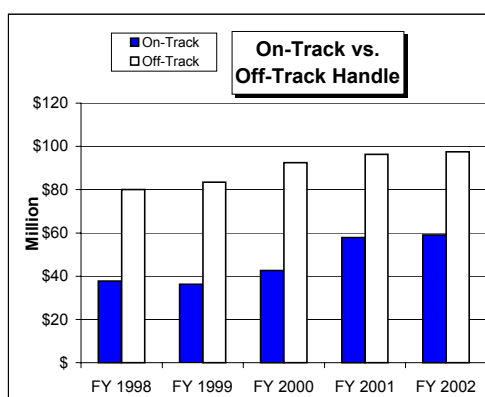
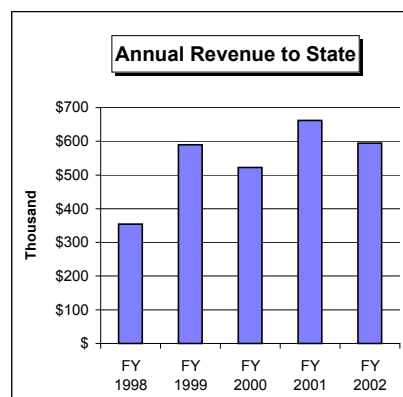


COMMERCIAL HORSE TRACKS
Rillito Park, Turf Paradise, Yavapai Downs

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Race Days/Performances (incl. 3 charity days)					
Live Race Days	197	189	196	206	208
Dark Day-Simulcast Only	130	151	188	238	235
Total Race Days	327	340	384	444	443
Live Performances	197	189	196	206	208
Number of Races					
Live Races	1,901	1,853	1,936	1,988	1,989
Simulcast Races	4,696	5,037	12,089	13,652	32,429
Total Number of Races	6,597	6,890	14,025	15,640	34,418
Number in Attendance					
On-Track	374,845	366,229	359,388	410,800	425,821
Off-Track	401,212	436,160	479,019	534,437	513,002
Total Number in Attendance	776,057	802,389	838,407	945,237	938,823
Pari-Mutuel Handle	\$117,735,803	\$119,698,429	\$135,082,657	\$154,077,855	\$156,522,449
Average Handle per Race Day	\$360,048	\$352,054	\$351,778	\$347,022	\$353,324
Breakdown by location					
On-Track Handle	\$37,756,637	\$36,210,612	\$42,614,139	\$57,801,999	\$58,975,299
Off-Track Handle	\$79,979,166	\$83,487,817	\$92,468,518	\$96,275,856	\$97,547,150
Breakdown by source					
Live Races	\$47,993,764	\$46,491,798	\$41,760,626	\$38,734,372	\$36,360,266
Simulcast Races	\$69,742,039	\$73,206,631	\$93,322,031	\$115,343,483	\$120,162,183
DISTRIBUTION OF REVENUES					
Returned to Public	\$91,447,938	\$92,518,266	\$106,192,491	\$121,121,937	\$124,128,643
State Pari-Mutuel Revenues	\$354,408	\$589,793	\$522,442	\$661,654	\$595,011
Track Mutuel Revenues					
Track Commission	\$24,677,687	\$25,637,907	\$27,355,749	\$31,391,214	\$30,883,355
Capital Improvement Rebate	\$166,097	\$138,086	\$117,588	\$100,581	\$107,288
Capital Improvement-Non Taxable	\$0	\$0	\$0	\$0	\$0
Charity Day	\$19,865	\$24,732	\$27,776	\$8,911	\$14,628
Hardship Tax Credit	\$419,506	\$177,225	\$167,406	\$12,452	\$10,279
Breakage	\$650,302	\$612,420	\$699,204	\$790,018	\$783,247
Total Track Revenues	\$25,933,457	\$26,590,370	\$28,367,723	\$32,303,176	\$31,798,797
Purses	\$10,615,522	\$10,946,437	\$12,482,260	\$14,853,572	\$14,974,184

Racetrack Trends at a Glance



4502 North First Avenue
Tucson, Arizona 85728

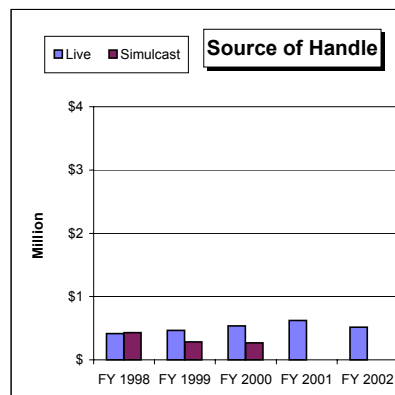
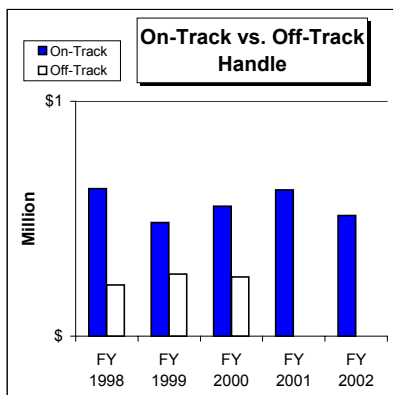
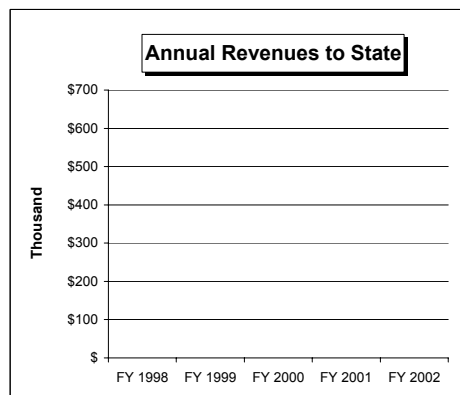
RILLITO PARK
Pima County Fair Horse Racing Commission
Stephen Brody, Chairman

FY 2002 Racing Dates:
February 16, 2002 - March 3, 2002

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Race Days/Performances</u>					
Live Race Days	6	6	6	8	6
Dark Day-Simulcast Only	12	18	15	0	0
Total Race Days	18	24	21	8	6
Live Performances	6	6	6	8	6
<u>Number of Races</u>					
Live Races	53	53	57	70	55
Simulcast Races	466	511	524	0	0
Total Number of Races	519	564	581	70	55
<u>Number in Attendance</u>					
On-Track	13,255	14,136	15,739	19,568	16,446
Off-Track	3,727	2,590	2,234	0	0
Total Number in Attendance	16,982	16,726	17,973	19,568	16,446
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$846,231	\$748,512	\$805,367	\$622,612	\$513,941
	\$47,013	\$31,188	\$38,351	\$77,827	\$85,657
Breakdown by location					
On-Track Handle	\$627,810	\$483,824	\$553,395	\$622,612	\$513,941
Off-Track Handle	\$218,421	\$264,688	\$251,972	\$0	\$0
Breakdown by source					
Live Races	\$416,441	\$462,861	\$536,409	\$622,612	\$513,941
Simulcast Races	\$429,790	\$285,651	\$268,958	\$0	\$0
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$656,010	\$582,340	\$623,105	\$478,943	\$396,671
<u>State Pari-Mutuel Revenues</u>	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$176,183	\$152,213	\$165,462	\$127,203	\$102,977
Capital Improvement Rebate	\$0	\$0	\$0	\$0	\$0
Capital Improvement-Non Taxable	\$0	\$0	\$0	\$0	\$0
Charity Day	\$0	\$0	\$0	\$0	\$0
Hardship Tax Credit	\$8,329	\$9,257	\$10,728	\$12,452	\$10,279
Breakage	\$5,709	\$4,703	\$6,071	\$4,014	\$4,014
Total Track Revenues	\$190,221	\$166,172	\$182,261	\$143,669	\$117,270
<u>Purses</u>	\$103,810	\$115,911	\$119,170	\$148,810	\$92,922

Racetrack Trends at a Glance



1501 West Bell Road
Phoenix, Arizona 85023

TURF PARADISE
TP Racing, L.L.P.
Randy Fozzard, General Manager

FY 2002 Racing Dates:
July 1, 2001 - June 30, 2002

MEETING BUSINESS FIGURES

Race Days/Performances (incl. 3 charity days)

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Live Race Days	143	135	142	150	151
Dark Day-Simulcast Only	94	103	131	198	195
Total Race Days	237	238	273	348	346
Live Performances	143	135	142	150	151

Number of Races

Live Races	1,489	1,421	1,477	1,528	1,492
Simulcast Races	3,244	3,386	9,418	11,659	29,044
Total Number of Races	4,733	4,807	10,895	13,187	30,536

Number in Attendance

On-Track	325,907	311,159	302,065	330,615	333,776
Off-Track	299,565	314,991	364,604	381,201	371,515
Total Number in Attendance	625,472	626,150	666,669	711,816	705,291

Pari-Mutuel Handle

	\$94,499,401	\$94,633,681	\$108,136,724	\$126,906,157	\$126,971,259
Average Handle per Race Day	\$398,732	\$397,621	\$396,105	\$367,844	\$366,969

Breakdown by location

On-Track Handle	\$34,705,114	\$33,500,746	\$40,041,977	\$55,318,801	\$56,603,892
Off-Track Handle	\$59,794,287	\$61,132,935	\$68,094,747	\$71,587,356	\$70,367,367

Breakdown by source

Live Races	\$40,762,340	\$38,743,262	\$35,006,967	\$33,082,690	\$30,481,949
Simulcast Races	\$53,737,061	\$55,890,419	\$73,129,757	\$93,823,467	\$96,489,310

DISTRIBUTION OF REVENUES

Returned to Public	\$73,434,052	\$73,025,177	\$85,148,765	\$99,669,190	\$100,733,160
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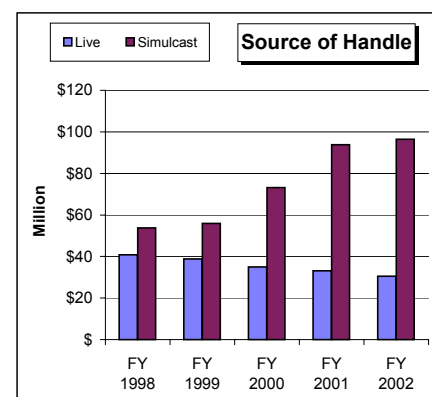
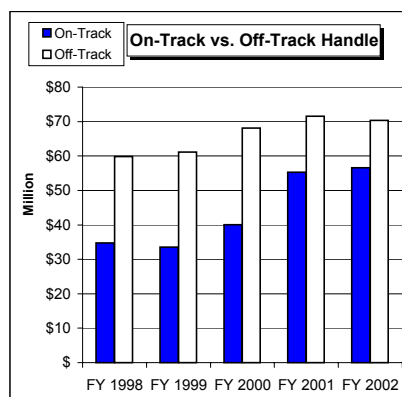
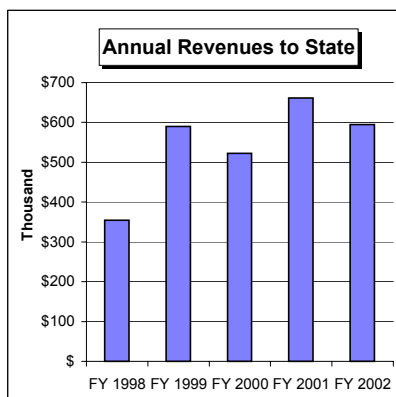
State Pari-Mutuel Revenues	\$354,408	\$589,793	\$522,442	\$661,654	\$595,011
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Track Mutuel Revenues

Track Commission	\$19,728,164	\$20,353,770	\$21,729,631	\$25,927,603	\$25,004,970
Capital Improvement Rebate	\$33,533	\$0	\$0	\$0	\$0
Capital Improvement-Non Taxable	\$0	\$0	\$0	\$0	\$0
Charity Day	\$16,129	\$17,105	\$21,019	\$8,911	\$14,628
Hardship Tax Credit	\$411,177	\$167,968	\$156,678	\$0	\$0
Breakage	\$521,938	\$479,869	\$558,189	\$647,711	\$623,491
Total Track Revenues	\$20,710,941	\$21,018,711	\$22,465,517	\$26,584,225	\$25,643,089

Purses	\$9,008,875	\$9,130,070	\$10,580,175	\$12,895,787	\$12,934,104
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Racetrack Trends at a Glance



10501 Hwy. 89A
Prescott Valley, Arizona 86314

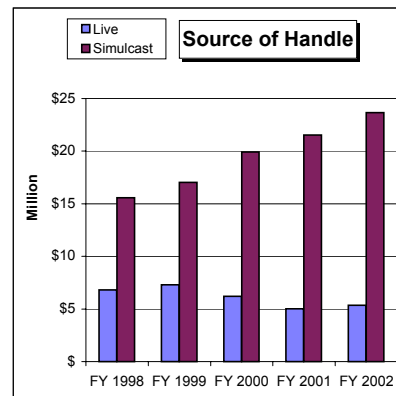
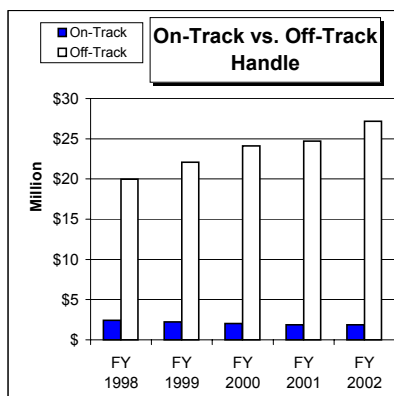
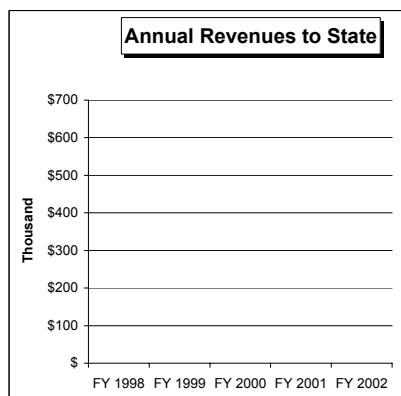
YAVAPAI DOWNS
Yavapai County Fair Association
James M. Grundy, General Manager

FY 2002 Racing Dates:
May 25, 2002 - August 30, 2002

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Race Days/Performances</u>					
Live Race Days	48	48	48	48	51
Dark Day-Simulcast Only	24	30	42	40	40
Total Race Days	72	78	90	88	91
Live Performances	48	48	48	48	51
<u>Number of Races</u>					
Live Races	359	379	402	390	442
Simulcast Races	986	1,140	2,147	1,993	3,385
Total Number of Races	1,345	1,519	2,549	2,383	3,827
<u>Number in Attendance</u>					
On-Track	35,683	40,934	41,584	60,617	75,599
Off-Track	97,920	118,579	112,181	153,236	141,487
Total Number in Attendance	133,603	159,513	153,765	213,853	217,086
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$22,390,171	\$24,316,236	\$26,140,566	\$26,549,086	\$29,037,249
	\$310,975	\$311,747	\$293,714	\$301,694	\$319,091
Breakdown by location					
On-Track Handle	\$2,423,713	\$2,226,042	\$2,018,767	\$1,860,586	\$1,857,466
Off-Track Handle	\$19,966,458	\$22,090,194	\$24,121,799	\$24,688,500	\$27,179,783
Breakdown by source					
Live Races	\$6,814,983	\$7,285,675	\$6,217,250	\$5,029,070	\$5,364,376
Simulcast Races	\$15,575,188	\$17,030,561	\$19,923,316	\$21,520,016	\$23,672,873
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$17,357,876	\$18,910,749	\$20,420,621	\$20,973,804	\$22,998,812
<u>State Pari-Mutuel Revenues</u>	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$4,773,340	\$5,131,925	\$5,460,656	\$5,336,408	\$5,775,408
Capital Improvement Rebate	\$132,564	\$138,086	\$117,588	\$100,581	\$107,288
Capital Improvement-Non Taxable	\$0	\$0	\$0	\$0	\$0
Charity Day	\$3,736	\$7,627	\$6,757	\$0	\$0
Hardship Tax Credit	\$0	\$0	\$0	\$0	\$0
Breakage	\$122,655	\$127,848	\$134,944	\$138,293	\$155,742
Total Track Revenues	\$5,032,295	\$5,405,487	\$5,719,945	\$5,575,282	\$6,038,438
<u>Purses</u>	\$1,502,837	\$1,700,457	\$1,782,915	\$1,808,975	\$1,947,158

Racetrack Trends at a Glance



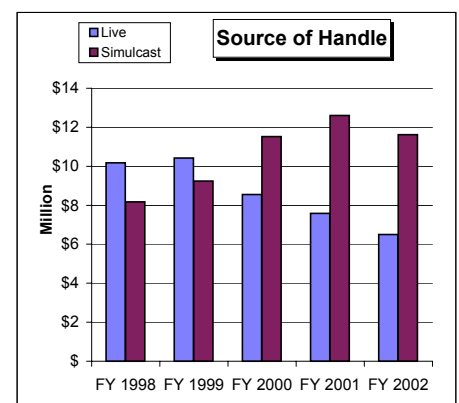
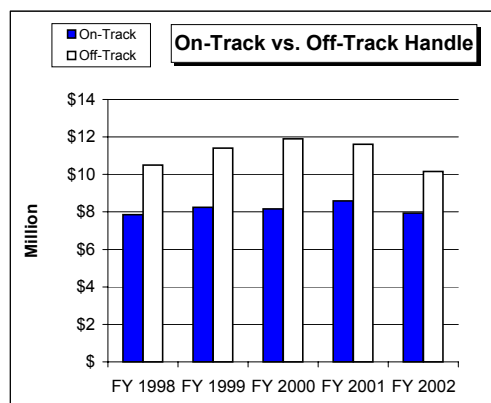
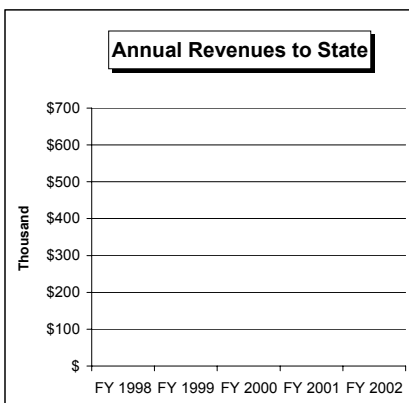
* Prescott Downs through 2001

COUNTY FAIR TRACKS
Recapitulation of County Fair Racing at Fairs and Commercial Tracks

MEETING BUSINESS FIGURES

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
<u>Race Days/Performances</u>					
Live Race Days	60	60	60	61	58
Dark Day-Simulcast Only	2	2	3	2	2
Total Race Days	62	62	63	63	60
Live Performances	60	60	60	61	58
<u>Number of Races</u>					
Live Races	561	536	608	548	505
Simulcast Races	412	423	931	1,928	1,797
Total Number of Races	973	959	1,539	2,476	2,302
<u>Number in Attendance</u>					
On-Track	138,580	151,321	126,611	184,014	119,043
Off-Track	45,320	57,132	58,255	63,937	53,413
Total Number in Attendance	183,900	208,453	184,866	247,951	172,456
<u>Pari-Mutuel Handle</u>					
Average Handle per Race Day	\$18,351,122	\$19,663,223	\$20,066,232	\$20,192,770	\$18,107,494
	\$295,986	\$317,149	\$318,512	\$320,520	\$301,792
<u>Breakdown by location</u>					
On-Track Handle	\$7,851,535	\$8,254,154	\$8,162,815	\$8,585,254	\$7,946,073
Off-Track Handle	\$10,499,587	\$11,409,069	\$11,903,417	\$11,607,516	\$10,161,421
<u>Breakdown by source</u>					
Live Races	\$10,182,056	\$10,427,750	\$8,548,262	\$7,587,724	\$6,493,635
Simulcast Races	\$8,169,066	\$9,235,473	\$11,517,970	\$12,605,046	\$11,613,859
<u>DISTRIBUTION OF REVENUES</u>					
<u>Returned to Public</u>	\$14,263,408	\$15,279,924	\$15,838,334	\$16,022,379	\$14,360,548
<u>State Pari-Mutuel Revenues</u>	\$0	\$0	\$0	\$0	\$0
<u>Track Mutuel Revenues</u>					
Track Commission	\$3,986,864	\$4,272,228	\$4,113,807	\$4,034,598	\$3,648,741
Breakage	\$100,850	\$111,070	\$114,091	\$135,792	\$98,207
Total Track Revenues	\$4,087,714	\$4,383,298	\$4,227,898	\$4,170,390	\$3,746,948
<u>Purses</u>	\$2,027,471	\$2,180,468	\$2,208,003	\$2,414,331	\$2,258,165

Racetrack Trends at a Glance



County Fair Racing
For Fiscal Year 2002

	<u>Race Days</u>	<u>Live Races</u>	<u>Simulcast Races</u>	<u>Total Handle</u>	<u>Simulcast Handle</u>	<u>Attendance</u>	<u>Returned to Public</u>	<u>Track Commission</u>	<u>Breakage to Track</u>	<u>Purses</u>
Fairs at Non-Commercial Tracks										
Coconino County Fair at Flagstaff July 1, 2, 3, 4, 2001	4	27	103	\$1,355,308	\$902,056	13,005	\$1,067,366	\$280,192	\$7,750	\$115,541
Apache County Fair at St. Johns September 15, 16, 22, 23, 2001	4	32	0	\$47,966	\$0	1,375	\$37,296	\$10,187	\$484	\$58,949
Gila County Fair at Globe September 29, 30, October 6, 7, 2001	4	29	0	\$72,960	\$0	3,150	\$56,652	\$15,687	\$621	\$58,836
Greenlee County Fair at Duncan March 16, 17, 23, 24, 2002	4	32	0	\$58,910	\$0	1,655	\$45,839	\$12,566	\$505	\$57,833
Graham County Fair at Safford March 30, 31, April 6, 7, 2002	4	32	0	\$81,100	\$0	3,300	\$63,024	\$17,325	\$751	\$53,253
Cochise County Fair at Douglas April 13, 14, 20, 21, 2002	4	32	0	\$102,544	\$0	5,450	\$79,895	\$21,931	\$718	\$57,076
Santa Cruz County Fair at Sonoita April 27, 28, May 4, 5, 2002	4	37	1	\$235,031	\$29,855	6,200	\$184,328	\$48,905	\$1,799	\$112,964
Mohave County Fair at Kingman May 11, 12, 18, 19, 2002	4	32	0	\$119,822	\$0	2,526	\$93,021	\$25,480	\$1,322	\$95,782
Subtotal - Fairs at Non-Commercial Tracks	32	253	104	\$2,073,641	\$931,911	36,661	\$1,627,421	\$432,273	\$13,950	\$610,234
Fairs at Commercial Tracks										
Yavapai County Fair at Prescott Valley (Yavapai Downs) September 1, 2, 3, 4, 2001	4	40	108	\$1,535,600	\$946,519	17,480	\$1,215,982	\$312,351	\$7,266	\$253,900
La Paz County Fair at Phoenix (Turf Paradise) January 12, 13, 19, 20, 2002	4	38	329	\$2,885,598	\$1,935,492	24,397	\$2,291,037	\$579,222	\$15,339	\$285,491
Maricopa County Fair at Phoenix (Turf Paradise) January 26, 27, February 1, 2, 2002	4	38	362	\$3,254,699	\$2,225,752	21,183	\$2,585,228	\$651,345	\$18,126	\$307,280
Pima County Fair at Tucson (Rillito Park) February 2, 3, 9, 10, 2002	4	35	0	\$299,427	\$0	10,649	\$230,437	\$66,504	\$2,486	\$64,089
Pinal County Fair at Phoenix (Turf Paradise) February 9, 10, 16, 17, 2002	4	36	346	\$3,352,475	\$2,337,969	25,054	\$2,667,299	\$666,066	\$19,111	\$302,687
Navajo County Fair at Phoenix (Turf Paradise) March 9, 10, 16, 17, 2002	4	38	381	\$3,396,114	\$2,322,668	20,332	\$2,701,810	\$679,464	\$14,840	\$312,804
Yuma County Fair at Prescott Valley (Yavapai Downs) May 25, 26, 27, 28, 2002	4	27	167	\$1,309,940	\$913,548	16,700	\$1,041,334	\$261,516	\$7,089	\$121,680
Subtotal - Fairs at Commercial Tracks	28	252	1,693	\$16,033,853	\$10,681,948	135,795	\$12,733,127	\$3,216,468	\$84,257	\$1,647,931
Total - All County Fair Racing	60	505	1,797	\$18,107,494	\$11,613,859	172,456	\$14,360,548	\$3,648,741	\$98,207	\$2,258,165

County Fair Racing
For Fiscal Year 2001

	<u>Race Days</u>	<u>Live Races</u>	<u>Simulcast Races</u>	<u>Total Handle</u>	<u>Simulcast Handle</u>	<u>Attendance</u>	<u>Returned to Public</u>	<u>Track Commission</u>	<u>Breakage to Track</u>	<u>Purses</u>
Fairs at Non-Commercial Tracks										
Coconino County Fair at Flagstaff July 1, 2, 3, 4, 5, 2000	5	36	95	\$1,840,779	\$1,118,458	24,723	\$1,473,816	\$357,356	\$9,607	\$145,687
Apache County Fair at St. Johns September 16, 17, 23, 24, 2000	4	32	0	\$41,551	\$0	1,320	\$32,365	\$8,823	\$363	\$53,525
Gila County Fair at Globe September 30, October 1, 7, 8, 2000	4	32	0	\$82,841	\$0	2,950	\$64,307	\$17,879	\$655	\$60,443
Greenlee County Fair at Duncan March 17, 18, 24, 25, 2001	4	33	0	\$74,397	\$0	2,900	\$58,000	\$15,881	\$516	\$51,792
Graham County Fair at Safford March 31, April 1, 7, 8, 2001	4	32	0	\$94,655	\$0	4,400	\$73,539	\$20,416	\$700	\$56,125
Cochise County Fair at Douglas April 14, 15, 21, 22, 2001	4	34	0	\$100,354	\$0	5,250	\$78,182	\$21,448	\$724	\$58,965
Santa Cruz County Fair at Sonoita April 28, 29, May 5, 6, 2001	4	37	0	\$196,185	\$0	8,000	\$152,980	\$41,696	\$1,509	\$125,120
Mohave County Fair at Kingman May 12, 13, 19, 20, 2001	4	33	0	\$110,725	\$0	2,620	\$86,237	\$23,311	\$1,177	\$57,826
Coconino County Fair at Flagstaff June 29, 30, 2001	2	9	85	\$819,432	\$670,728	5,683	\$662,286	\$153,401	\$3,745	\$77,771
Subtotal - Fairs at Non-Commercial Tracks	35	278	180	\$3,360,919	\$1,789,186	57,846	\$2,681,712	\$660,211	\$18,996	\$687,254
Fairs at Commercial Tracks										
Yavapai County Fair at Prescott (Prescott Downs) September 2, 3, 4, 5, 2000	4	40	161	\$1,927,371	\$1,372,012	17,286	\$1,519,574	\$398,213	\$9,584	\$287,400
La Paz County Fair at Phoenix (Turf Paradise) January 13, 14, 20, 21, 2001	4	40	311	\$3,089,876	\$2,047,432	24,225	\$2,449,911	\$601,052	\$38,913	\$293,982
Maricopa County Fair at Phoenix (Turf Paradise) January 26, 27, February 3, 4, 2001	4	40	378	\$3,386,431	\$2,228,409	22,591	\$2,687,346	\$679,480	\$19,604	\$324,026
Pima County Fair at Tucson (Rillito Park) February 3, 4, 10, 11, 2001	4	34	0	\$358,162	\$0	11,972	\$275,923	\$79,709	\$2,530	\$70,263
Pinal County Fair at Phoenix (Turf Paradise) February 10, 11, 17, 18, 2001	4	40	382	\$3,092,549	\$1,934,038	23,257	\$2,461,889	\$612,665	\$17,995	\$287,720
Navajo County Fair at Phoenix (Turf Paradise) March 10, 11, 17, 18, 2001	4	40	390	\$3,474,133	\$2,335,865	22,275	\$2,757,905	\$696,469	\$19,759	\$313,686
Yuma County Fair at Prescott Valley (Yavapai Downs) May 26, 27, 28, 29, 2001	4	36	126	\$1,503,329	\$898,104	68,499	\$1,188,119	\$306,799	\$8,411	\$150,000
Subtotal - Fairs at Commercial Tracks	28	270	1,748	\$16,831,851	\$10,815,860	190,105	\$13,340,667	\$3,374,387	\$116,796	\$1,727,077
Total - All County Fair Racing	63	548	1,928	\$20,192,770	\$12,605,046	247,951	\$16,022,379	\$4,034,598	\$135,792	\$2,414,331

TELETRACK ACTIVITY

The handle at teletracking facilities was mostly down during FY 2002. The Arizona Racing Commission approved teletracking operations for five permittees: Phoenix Greyhound Park, Tucson Greyhound Park, Turf Paradise, Rillito Park, Yavapai County Fair Association (Yavapai Downs) and Coconino County Racing (Fort Tuthill Downs). Also, county fair meets at Yavapai Downs and Turf Paradise offered

teletrack wagering. These permittees utilized 77 locations during the year. A detailed summary of Teletrack wagering during FY 2002 is included on pages 33-35.

The Table below summarizes the teletrack handle generated by commercial and county fair meets.

	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Fort Tuthill Downs (Fair Meet)	\$1,631,180	\$1,561,911	\$1,788,012	\$2,120,115	\$1,102,882
Yavapai Downs	\$20,052,064	\$22,105,470	\$24,118,181	\$24,883,119	\$27,279,570
Yavapai Downs (Fair Meets)	\$2,664,614	\$2,578,964	\$2,920,652	\$2,483,999	\$2,396,799
Turf Paradise	\$59,794,276	\$61,132,935	\$68,092,678	\$71,513,929	\$70,508,851
Turf Paradise (Fair Meets)	\$6,204,238	\$7,270,025	\$7,191,772	\$6,633,368	\$6,541,170
Rillito Park	\$266,482	\$264,688	\$251,972	\$0	\$0
Phoenix Greyhound Park	\$69,269,838	\$68,503,247	\$62,967,472	\$55,480,483	\$50,051,474
Tucson Greyhound Park	<u>\$12,933,280</u>	<u>\$13,790,867</u>	<u>\$14,232,145</u>	<u>\$15,035,143</u>	<u>\$14,329,756</u>
TOTALS	\$172,815,972	\$177,196,506	\$181,562,884	\$178,150,156	\$172,209,902

TELETRACKING ACTIVITY - GREYHOUND MEETS

PHOENIX GREYHOUND PARK

CITY	SITE	HANDLE	*REVENUE	DAYS
APACHE JUNCTION	APACHE GREYHOUND PARK	\$1,781,626	\$7,511	357
CASA GRANDE	MCMASHER'S SPORTS BAR	\$802,993	\$1,890	363
CAVE CREEK	SATISFIED FROG	\$330,485	\$1,133	286
CHANDLER	GALLAGHER'S	\$871,743	\$2,539	365
CHANDLER	DIRTY DRUMMER	\$1,998,748	\$5,425	363
CHANDLER	STADIUM CLUB	\$2,480,629	\$5,698	365
FLORENCE	MY OFFICE BAR	\$93,875	\$230	89
FOUNTAIN HILLS	FT. MCDOWELL CASINO	\$1,580,386	\$2,950	268
GLENDALE	MAX'S SPORTS BAR	\$2,233,811	\$4,617	283
KINGMAN	DAMBAR & STEAKHOUSE	\$327,360	\$1,056	204
LAKE HAVASU CITY	LONDON BRIDGE BREWERY	\$164,187	\$474	179
LITCHFIELD PARK	LIGHTHOUSE RESTAURANT	\$2,663,261	\$7,138	365
PEORIA	GALLAGHER'S	\$1,284,778	\$4,149	365
PEORIA	GRAND INN	\$2,199,738	\$4,556	364
PHOENIX	BIG DADDY'S	\$1,519,576	\$3,834	363
PHOENIX	BRENNAN'S	\$2,269,380	\$5,387	360
PHOENIX	BRENNAN'S PUB & GRUB	\$1,894,183	\$4,023	364
PHOENIX	CHASE'S	\$617,887	\$1,423	215
PHOENIX	FINAL SCORE SPORTS GRILL	\$2,334,604	\$6,533	365
PHOENIX	40TH STREET GRILL	\$1,846,573	\$4,573	363
PHOENIX	GALLAGHER'S	\$1,728,919	\$5,156	365
PHOENIX	PADRE MURPHY'S	\$6,029,180	\$13,335	365
PINETOP	THE WAGON WHEEL	\$84,389	\$234	118
PRESCOTT VALLEY	PLAZA BOWL	\$440,610	\$1,339	305
SAN CARLOS	APACHE GOLD CASINO	\$256,231	\$709	309
SCOTTSDALE	CASINO ARIZONA	\$4,112,381	\$9,878	365
SIERRA VISTA	COCHISE HEALTH & RACQUET	\$847,057	\$2,396	301
SURPRISE	RUNNER'S SPORTS BAR	\$243,427	\$561	178
TEMPE	HORSE & HOUND	\$1,570,957	\$3,663	365
TEMPE	HORSE & HOUND-Off Broadway	\$1,923,613	\$4,836	365
TEMPE	MCDUFFY'S SPORTS BAR	\$1,234,348	\$2,918	364
TEMPE	POOCH'S EASY STREET	\$946,462	\$2,414	365
YUMA	YUMA GREYHOUND PARK	\$1,338,077	\$2,233	353
TOTAL		\$50,051,474	\$124,811	10,364

TUCSON GREYHOUND PARK

CITY	SITE	HANDLE	*REVENUE	DAYS
MARANA	OLD FATHER INN	\$902,141	\$0	361
TUCSON	AIRPORT INN	\$148,450	\$0	97
TUCSON	FAMOUS SAM'S - CENTRAL	\$1,648,189	\$0	361
TUCSON	FAMOUS SAM'S - EAST	\$2,075,024	\$0	361
TUCSON	GOLDEN PIN LANES	\$408,747	\$0	88
TUCSON	JEFF'S PUB	\$3,084,232	\$0	361
TUCSON	KAPPY'S	\$1,936,273	\$0	361
TUCSON	SPORTS PAGE LOUNGE	\$2,190,021	\$0	267
TUCSON	THE KEYS	\$1,936,679	\$0	354
TOTAL		\$14,329,756	\$0	2,611

* Revenue contributed following application of hardship tax relief

TELETRACKING ACTIVITY - COMMERCIAL HORSE MEETS

CITY	SITE	YAVAPAI DOWNS		TURF PARADISE		
		HANDLE	DAYS	HANDLE	*REVENUE	DAYS
AHWATUKEE	GRACE INN	\$1,063,085	91	\$2,929,684	\$15,000	242
APACHE JUNCTION	APACHE GREYHOUND PARK	\$846,953	76	\$2,608,861	\$13,292	242
APACHE JUNCTION	ARIZONA JOE'S	\$345,065	91	\$1,262,558	\$6,389	243
CASA GRANDE	MCMASHER'S SPORTS BAR	\$258,759	91	\$774,629	\$3,966	241
CAVE CREEK	THE CRACKED CRAB	\$183,559	58	\$289,433	\$1,434	113
CAVE CREEK	SATISFIED FROG	\$139,098	33	\$458,481	\$2,382	121
CHANDLER	DIRTY DRUMMER	\$1,115,568	91	\$3,315,101	\$16,948	241
CHANDLER	STADIUM CLUB	\$835,497	91	\$2,441,833	\$12,521	243
COTTONWOOD	FAMOUS SAM'S	\$155,360	58	\$27,569	\$143	10
DOUGLAS	SHOOTERS	\$23,691	43	\$85,096	\$428	136
FLAGSTAFF	MUSEUM CLUB	\$405,904	91	\$933,984	\$4,777	240
FLORENCE	MY OFFICE BAR	\$51,603	58	\$105,807	\$532	121
FOUNTAIN HILLS	FT. MCDOWELL CASINO	\$307,223	58			
GLENDALE	GALLINGERS	\$56,415	33	\$80,716	\$419	64
GLENDALE	MAX'S SPORTS BAR	\$1,178,932	91	\$2,823,918	\$14,464	241
GOODYEAR	ROMAN'S OASIS	\$122,754	91	\$365,981	\$1,861	242
KINGMAN	ABC RESTAURANT	\$240,311	91	\$641,570	\$3,278	242
LAKE HAVASU CITY	GALLAGHER'S AGAIN	\$360,724	91	\$953,031	\$4,867	241
MARANA	OLD FATHER INN	\$229,613	91	\$492,841	\$2,526	241
NEW RIVER	NEW RIVER STATION	\$40,894	31	\$134,188	\$697	103
PARKER	STROKES	\$93,848	91	\$229,395	\$1,170	242
PATAGONIA	THE BIG STEER	\$4,567	4			
PAYSON	MARIO'S RESTAURANT	\$79,196	58	\$204,703	\$1,031	168
PEORIA	GRAND INN	\$804,610	91	\$2,070,369	\$10,515	243
PHOENIX	AMERICAN LEGION #7	\$198,113	33	\$257,312	\$1,337	47
PHOENIX	BRENNAN'S	\$1,502,436	91	\$5,044,845	\$25,768	240
PHOENIX	DINO'S/ORIGINAL TOMMY'S	\$660,717	91	\$1,865,531	\$9,507	238
PHOENIX	FINAL SCORE SPORTS GRILL	\$735,798	91	\$2,181,430	\$11,135	242
PHOENIX	40TH STREET GRILL	\$1,663,697	91	\$5,928,530	\$30,364	242
PHOENIX	NORTH STAR RESTAURANT	\$862,613	91	\$2,385,868	\$12,154	242
PHOENIX	PADRE MURPHY'S	\$2,002,001	91	\$5,118,290	\$26,205	243
PHOENIX	ROMAN'S COUNTY LINE	\$621,857	91	\$1,633,201	\$8,312	242
PHOENIX	TURF PARADISE	\$831,097	50			
PRESCOTT	KELSIE'S SNEAKERS	\$123,741	33	\$278,459	\$1,447	92
PRESCOTT VALLEY	ANTELOPE LANES	\$410,469	91	\$1,128,424	\$5,743	243
PRESCOTT VALLEY	YAVAPAI DOWNS			\$532,295	\$2,715	212
QUARTZSITE	QUARTZSITE YACHT CLUB	\$108,213	91	\$406,726	\$2,069	241
ROCK SPRINGS	ROCK SPRINGS CAFE	\$146,303	91	\$369,269	\$1,896	242
SAFFORD	JB'S RESTAURANT	\$192,194	87	\$580,762	\$2,963	243
SAN CARLOS	APACHE GOLD CASINO	\$126,727	90			
SCOTTSDALE	CASINO ARIZONA	\$1,284,828	91			
SHOW LOW	RT'S BLACK BULL	\$348,091	81	\$501,214	\$2,575	243
SIERRA VISTA	KING'S COURT	\$520,869	91	\$1,306,468	\$6,691	241
SURPRISE	RUNNER'S SPORTS BAR	\$253,007	91	\$765,000	\$3,915	241
SUN CITY	MCCARTHY'S	\$280,359	75	\$1,161,356	\$5,963	243
TEMPE	HORSE & HOUND-BROAD'Y	\$1,048,780	91	\$3,358,390	\$17,128	243
TEMPE	MCDUFFY'S SPORTS BAR	\$863,480	91	\$2,399,672	\$12,298	243
TUCSON	AIRPORT INN	\$37,602	33	\$21,843	\$113	29
TUCSON	FAMOUS SAM'S-EAST	\$232,952	91	\$668,292	\$3,418	240
TUCSON	FAMOUS SAM'S-CENTRAL	\$243,220	91	\$799,164	\$4,119	242
TUCSON	GOLDEN PIN LANES	\$200,612	33	\$111,009	\$577	22
TUCSON	JEFF'S PUB	\$449,335	91	\$1,429,148	\$7,308	242
TUCSON	KAPPY'S RESTAURANT	\$342,957	91	\$992,375	\$5,083	241
TUCSON	RILLITO PARK			\$102,609	\$533	5
TUCSON	SPORTS PAGE	\$212,164	58	\$867,680	\$4,424	216
TUCSON	THE KEYS	\$241,103	53	\$583,764	\$2,926	137
TUCSON	TUCSON GREYHOUND PARK	\$1,262,238	91	\$3,088,020	\$15,634	242
YOUNGTOWN	JOE BROWNS	\$28,586	20			
YUMA	YUMA GREYHOUND PARK	\$190,726	42	\$1,326,906	\$6,729	171
COUNTY FAIRS						
ST. JOHNS	APACHE COUNTY FAIR	\$0	0	\$22,906	\$0	4
DUNCAN	GREENLEE COUNTY FAIR	\$0	0	\$9,734	\$0	4
PHOENIX	MARICOPA COUNTY FAIR	\$0	0	\$2,353	\$0	9
SONOITA	SANTA CRUZ COUNTY FAIR	\$0	0	\$50,258	\$0	4
SUB-TOTAL						
		\$27,170,114	4,201	\$70,508,851	\$359,689	10,491

*Funds contributed after the application of hardship tax relief and capital improvement payments.

TELETRACKING ACTIVITY - FAIR MEETS

		FORT TUTHILL DOWNS		YAVAPAI DOWNS (Yavapai & Yuma)		TURF PARADISE (La Paz, Maricopa Navajo and Pinal)	
CITY	SITE	HANDLE	DAYS	HANDLE	DAYS	HANDLE	DAYS
AHWATUKEE	GRACE INN	\$30,891	4	\$78,100	8	\$286,844	16
APACHE JUNCTION	APACHE GREYHOUND PARK	\$29,407	4	\$58,849	8	\$245,786	16
APACHE JUNCTION	ARIZONA JOE'S	\$24,194	4	\$34,345	8	\$114,587	16
CASA GRANDE	MCMASHER'S SPORTS BAR	\$13,764	4	\$16,471	8	\$76,223	16
CAVE CREEK	THE CRACKED CRAB	\$16,954	4	\$11,035	4	\$0	0
CAVE CREEK	SATISFIED FROG	\$0	0	\$13,151	4	\$71,995	16
CHANDLER	DIRTY DRUMMER	\$43,052	4	\$77,450	8	\$288,867	16
CHANDLER	STADIUM CLUB	\$34,344	4	\$89,029	8	\$272,942	16
COTTONWOOD	FAMOUS SAM'S	\$9,224	4	\$17,975	4	\$0	0
DOUGLAS	SHOOTERS	\$0	0	\$3,795	4	\$2,718	6
DUNCAN	GREENLEE COUNTY FAIR	\$0	0	\$0	0	\$3,529	2
FLAGSTAFF	MUSEUM CLUB	\$11,347	4	\$39,466	8	\$71,741	16
FLORENCE	MY OFFICE BAR	\$3,153	4	\$2,819	4	\$4,248	6
FOUNTAIN HILLS	FT. MCDOWELL CASINO	\$19,938	4	\$27,411	4	\$0	0
GLENDALE	GALLINGERS	\$0	0	\$4,366	4	\$0	0
GLENDALE	MAX'S SPORTS BAR	\$36,444	3	\$84,618	8	\$219,647	16
GOODYEAR	ROMAN'S OASIS	\$4,696	4	\$16,692	8	\$45,957	16
KINGMAN	ABC RESTAURANT	\$7,739	4	\$29,511	8	\$56,417	16
LAKE HAVASU CITY	GALLAGHER'S AGAIN	\$14,454	4	\$38,768	8	\$95,736	16
MARANA	OLD FATHER INN	\$15,612	4	\$13,089	8	\$39,197	16
NEW RIVER	NEW RIVER STATION	\$0	0	\$5,124	4	\$25,877	16
PARKER	STROKES	\$6,377	4	\$19,564	8	\$27,693	16
PATAGONIA	THE BIG STEER	\$5,550	4	\$0	0	\$0	0
PAYSON	MARIO'S RESTAURANT	\$5,430	3	\$10,097	4	\$21,786	14
PEORIA	GRAND INN	\$34,925	4	\$61,582	8	\$169,090	16
PHOENIX	AMERICAN LEGION #7	\$0	0	\$20,562	4	\$0	0
PHOENIX	BRENNAN'S	\$28,449	3	\$123,714	8	\$408,958	16
PHOENIX	DINO'S/ORIGINAL TOMMY'S	\$31,157	4	\$55,682	8	\$151,194	16
PHOENIX	40TH STREET GRILL	\$90,238	4	\$121,296	8	\$516,969	16
PHOENIX	NORTH STAR RESTAURANT	\$32,828	4	\$77,961	8	\$185,020	16
PHOENIX	PADRE MURPHY'S	\$90,139	4	\$157,034	8	\$409,717	16
PHOENIX	ROMAN'S COUNTY LINE	\$26,704	4	\$58,194	8	\$177,435	16
PHOENIX	FINAL SCORE SPORTS GRILL	\$27,176	4	\$65,109	8	\$206,359	16
PHOENIX	TURF PARADISE	\$40,179	3	\$134,683	7	\$0	0
PRESCOTT	KELSIE'S SNEAKERS	\$0	0	\$11,260	4	\$23,725	6
PRESCOTT VALLEY	ANTELOPE LANES	\$22,786	4	\$37,795	8	\$94,147	16
PRESCOTT VALLEY	YAVAPAI DOWNS	\$0	0	\$0	0	\$65,874	16
QUARTZSITE	QUARTZSITE YACHT CLUB	\$3,207	4	\$12,084	8	\$52,675	16
ROCK SPRINGS	ROCK SPRINGS CAFE	\$4,540	4	\$11,734	8	\$28,461	16
SAFFORD	JB'S RESTAURANT	\$12,224	4	\$22,761	8	\$54,866	16
SAN CARLOS	APACHE GOLD CASINO	\$3,015	4	\$8,561	7	\$0	0
SCOTTSDALE	CASINO ARIZONA	\$57,113	4	\$118,707	8	\$0	0
SHOW LOW	RT'S BLACK BULL	\$41,518	4	\$34,462	8	\$84,424	16
SIERRA VISTA	KING'S COURT	\$20,687	4	\$44,090	8	\$210,141	16
SURPRISE	RUNNER'S SPORTS BAR	\$8,296	4	\$21,535	8	\$55,311	16
SUN CITY	MCCARTHY'S	\$0	0	\$31,531	8	\$109,914	16
TEMPE	HORSE & HOUND-BROAD'Y	\$29,890	4	\$94,700	8	\$315,818	16
TEMPE	MCDUFFY'S SPORTS BAR	\$27,764	4	\$73,447	8	\$195,296	16
TUCSON	AIRPORT INN	\$0	0	\$2,338	4	\$0	0
TUCSON	FAMOUS SAM'S-EAST	\$5,973	4	\$17,825	8	\$47,343	16
TUCSON	FAMOUS SAM'S-CENTRAL	\$13,879	4	\$16,201	8	\$48,215	16
TUCSON	GOLDEN PIN LANES	\$0	0	\$24,194	4	\$0	0
TUCSON	JEFF'S PUB	\$21,592	4	\$41,117	8	\$138,851	16
TUCSON	KAPPY'S RESTAURANT	\$8,385	4	\$14,965	8	\$59,519	16
TUCSON	SPORTS PAGE	\$7,805	3	\$20,754	4	\$74,615	16
TUCSON	RILLITO PARK	\$0	0	\$0	0	\$113,627	5
TUCSON	THE KEYS	\$10,099	4	\$19,713	7	\$91,354	16
TUCSON	TUCSON GREYHOUND PARK	\$62,282	4	\$126,923	8	\$274,174	16
YOUNGTOWN	JOE BROWNS	\$4,120	4	\$0	0	\$0	0
YUMA	YUMA GREYHOUND PARK	\$3,342	1	\$22,560	4	\$206,288	16
TOTAL		\$1,102,882	184	\$2,396,799	377	\$6,541,170	711

FINANCIAL ADMINISTRATION OF BOXING

Since October 1992, the Arizona Department of Racing has had responsibility for the financial administration of the Arizona State Boxing Commission. In this capacity, the Department collects and deposits State receipts associated with boxing.

The Department collects a fee of four percent of the gross receipts after deduction of any federal, state, and local taxes generated from boxing matches. In FY 2002, the Department collected \$20,272.04 in taxes generated from 36 boxing events in the State.

The State Boxing Commission issued 438 licenses, and the Department collected a

total of \$8,215 in license fees from these applicants.

As noted in the Legislative Summary on Page 5, the Legislature has given the Department of Racing responsibilities for the regulation of boxing. From and after August 22, 2002, a division of boxing regulation is established within the Department of Racing to provide staff support for the Arizona State Boxing Commission. The Director of the Department of Racing is authorized to appoint an assistant director for boxing regulation to perform duties prescribed in boxing statutes.

Breakdown – Boxing Revenues Collected

	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>
No. of Boxing Events	13	20	36
No. of Licenses Issued	279	338	438
 Taxes	 \$ 17,804.52	 \$ 49,275.09	 \$ 20,272.04
License Fees	\$ 4,695.00	\$ 6,755.00	\$ 8,215.00
Prior Year Receipts	\$ 0	\$ 443.63	\$ 0
Fines	\$ 0	\$ 0	\$ 0
Total Revenue Collected	\$ 22,499.52	\$ 56,473.72	\$ 28,487.04